

East Asians See Europe's Power On the Decline Region's Leaders Poised To Give Kohl the Message

By Michael Richardson
International Herald Tribune

SINGAPORE — When Mahathir bin Mohamad, the prime minister of Malaysia, thinks of Europe these days, he professes to see a continent handicapped by a high cost structure that puts it at a permanent disadvantage vis-à-vis more efficient economic competitors in Asia.

Lee Kuan Yew, Singapore's elder statesman, worries that Europe is becoming increasingly inward-looking as it tries to solve a post-Cold War surge of ethnic tension, mass migration and other problems at a time of economic slowdown.

Europe, says Noordin Sovie, director-general of the Institute of Strategic and International Studies in Kuala Lumpur, is becoming so "tied down by the emerging market economies and learner democracies of Eastern Europe" that it is retreating from world affairs.

He says the only powers that are likely to play a larger role on the international stage in the next decade than they play now are Japan and China.

These views of the European Community as a declining global player are expressed with increasing frequency in East Asia.

The point seems certain to be made forcefully with Helmut Kohl, Germany's chancellor, when he begins a tour of Singapore, Indonesia, Japan and South Korea on Monday. Mr. Kohl arrived in India on Friday on the first leg of his visit to Asia.

The visit had been planned for October, but Mr. Kohl postponed it in September when turmoil hit the EC's exchange rate mechanism, threatening plans for monetary union in Europe.

German officials said that Mr. Kohl, who will be accompanied by a delegation of senior German business officials, will be seeking to strengthen commercial and political relations between Germany, which has Europe's biggest economy, and the rapidly growing markets of Asia.

Trade between the EC and East Asia more than tripled in the 10 years that ended in 1990, to \$246 billion. European investment in the region is also substantial.

However, many East Asian policymakers worry that difficulties and divisions in the EC will lead not only to diminished European trade and investment in Asia but to increased protectionism in Western nations whose markets provide a major outlet for the goods of East Asia.

Europe, a Japanese official said, is setting the pace for global trade policy.

There are doubts about the future of U.S. trade policy toward Japan, China and other countries that have persistent trade surpluses with the United States. And there is also concern that a decline in Europe's economic presence in East Asia will leave Japan unchallenged economically in the region.

The impasse in the Uruguay Round of negotiations that were

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SOMALI WEAPON — Children posing Friday around a missile, one of six the Marines found near Mogadishu. As UN forces take over, their mandate will be extended to include disarming factions. Page 2.

Greenspan Backs Clinton Deficit Plan

He Says Federal Reserve Won't Raise Interest Rates and Choke Recovery

By Lawrence Malkin
International Herald Tribune

NEW YORK — The chairman of the Federal Reserve Board, Alan Greenspan, threw his weight behind the Clinton administration's economic program on Friday and indicated that the U.S. central bank would not choke off recovery with higher interest rates out of exaggerated fears of inflation.

"It is a serious proposal, its baseline economic assumptions are plausible, and it is a detailed program-by-program set of recommendations as distinct from general goals," Mr. Greenspan told the Senate Banking Committee in his semi-annual state-of-the-economy testimony to Congress. The Federal Reserve Board head is the United States' most important economic policymaker after the president.

In questioning by the panel, Mr. Greenspan also did his best to duck a partisan debate about whether it was better to cut the deficit by cutting spending or raising taxes, although as a Republican he has long favored lower spending.

Like his predecessor, Paul Volcker, who had also pledged with Congress that cutting the deficit was the best way to cut interest rates and prompt long-term economic growth, he seemed delighted that a president had placed "on the table for active debate the issue of our burgeoning structural budget deficit."

More concerned that it might do too little rather than too much, he brushed aside Democratic fears that deficit-cutting might drag down the economy by saying, "To assume that Congress and the president would cut the deficit too much is not, in the words of my predecessor, something I would lose any sleep over."

Mr. Greenspan also gave his support to an underlying theoretical assumption of President

Bill Clinton's plan: that although cutting the deficit will indeed squeeze the economy, it will also bring down long-term interest rates, and the lower cost of capital to businesses and homeowners would then combine with the new economic climate to become what the Fed chairman said could turn out to be "a very powerful positive force."

All this represented an important vote of confidence for Mr. Clinton who, along with

Clinton's economic wish list has a lot of 'ifs' to overcome first. Page 3.

U.S. business is divided on the impact of Clinton's tax proposals. Page 7.

Vice President Al Gore and cabinet members, has begun campaigning across the country to sell his economic program.

On Friday, Mr. Clinton told a town meeting in Chillicothe, Ohio, that he would not raise "a penny in taxes, if we're not going to do the cuts" in spending called for in his plan.

When a questioner asked why the plan opted for an energy tax rather than a national sales tax, Mr. Clinton said that the United States "still has the lowest energy costs by far" among the world's industrial nations.

As for a national sales tax, known as a value-added tax, he said he rejected it as "a radical change in the tax system."

But he did not reject the possibility outright. "It is something I think we may well have to look at in the years ahead," he said, as part of a possible restructuring of the tax system.

Later, Mr. Clinton was to travel to Hyde Park, New York, the ancestral home of Frank-

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Refugee Chief Overruled on Bosnia Aid Convoys

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — Secretary-General Butros Butros Ghali, overruling the top UN relief official for Bosnia-Herzegovina, on Friday ordered the resumption of humanitarian aid, which had been suspended earlier this week.

The Security Council also voted unanimously to give UN peacekeepers under fire in Croatia the right to fight back. The resolution authorizes all UN troops deployed in Bosnia-Herzegovina, Croatia and Macedonia — a total of 23,000 soldiers — to use force for self-protection under Chapter VII of the UN Charter.

Mr. Butros Ghali and the Security Council acted as their initiatives in the Balkans ran into greater difficulties. A peace agreement in Croatia has fallen apart, humanitarian aid in Bosnia-Herzegovina has been brought to a halt

and peace negotiations at UN headquarters have made no headway.

Bosnian Serbs on Friday halted an aid convoy heading for the besieged Muslim town of Zepa, dampening hopes that convoys would reach Muslim enclaves in eastern Bosnia.

Mr. Butros Ghali indicated Friday that the UN high commissioner for refugees, Sadako Ogata, had overstepped her authority in shutting down most of the relief operation Wednesday.

"I am supposed to direct this operation," Mr. Butros Ghali said after a Security Council meeting.

"I already sent a message to Mrs. Ogata asking her to resume it," he said, meaning the aid.

One of Mrs. Ogata's spokesmen, Ron Redmond, said from Geneva that he had not heard about Mr. Butros Ghali's announcement and would look into it.

In suspending the operation, Mrs. Ogata cited frustrations that Serbs were not allowing convoys into eastern Bosnia and that Muslims refused to distribute food in Sarajevo unless the United Nations forced its way into starving towns in the east.

The Bosnian government reacted enthusiastically to Mr. Butros Ghali's decision and implied that it might act as soon as Saturday to lift the blockade it has imposed on the delivery of relief supplies to Sarajevo.

Mr. Butros Ghali's announcement was the latest twist in the power struggle between Mrs. Ogata and other diplomats over the Bosnian relief operation. His characteristically blunt assertion of his authority raised questions about Mrs. Ogata's future as high commissioner.

Mrs. Ogata suspended the relief deliveries without consulting the Security Council.

Although the Security Council issued a statement Wednesday evening demanding that the

Bosnian factions give Mrs. Ogata their full cooperation to let aid be delivered, her announcement had obviously caught them by surprise.

As for the aid situation on the ground in Bosnia, three relief trucks with supplies for Zepa were blocked at Borica by Serbian forces, and the Serbs told the convoy drivers they could not proceed until Muslims "lay down their arms," another UN High Commissioner for Refugees spokesman, Christiane Berthiaume, said in Geneva.

Hopes had been raised earlier Friday that the commissioner's aid convoys would be allowed through to the Bosnian Muslim enclaves and that this would prompt authorities in Sarajevo to lift their ban on accepting humanitarian aid.

The Bosnian government has called for a boycott of humanitarian aid until supplies get through to the eastern enclaves. The Bosnian

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Vietnam GIs' Kids: Pawns in a Visa Quest

By William Branigan
Washington Post Service

HO CHI MINH CITY — For years after the Vietnam War, they were impoverished, often homeless, castaways known here as "the dust of life." Now they are called "the gold children."

Amerasians, the sons and daughters of Vietnamese women and American men who served here during the war, have gone from rejects to increasingly scarce, sought-after commodities.

But in the process, many of the children have become part of massive fraud against a U.S. program to resettle them and their relatives in the United States. And they often end up exploited, abused and, eventually, abandoned again in their new homeland.

A trade in Amerasians is at the core of a variety of schemes in which thousands of Vietnamese have taken advantage of the children's eligibility for quick resettlement in the United States with their "accompanying family mem-

bers." These Vietnamese often pay gold to "buy" an Amerasian, who then claims them as genuine relatives or foster families.

According to American and Vietnamese officials, the price of an Amerasian seems to range between two and five tons of gold, worth between \$800 and \$2,000. A tael is a 12-ounce (33.6-gram) unit. Sometimes this is paid to a broker or the Amerasian's real family, and sometimes directly to the Amerasian.

"I want only one thing: to go to the United States," said Dang Thi My Hanh, a Vietnamese woman who was found to have "bought" an Amerasian girl and fraudulently won a U.S. visa. Held in a refugee center in the Philippines where her scheme collapsed en route to America, she said, sobbing, "I don't want to go back to Vietnam, because I don't like the Communists."

In interviews in Vietnam, Thailand, the Philippines and the United States, American offi-

cial, refugee-aid workers and Vietnamese sources described the resettlement program, which was established under the Amerasian Homecoming Act of 1987, as permeated by fraud. The scheme starts with the purchase of Amerasians, include bribery of Vietnamese officials throughout the process and culminate in the payment of resettlement benefits to fake families in the United States — courtesy of the American taxpayer.

There has been, as yet, no way to measure the extent or cost of the fraud. But some U.S. government and voluntary agency officials now believe that fake families may account for half of the more than 50,000 Vietnamese relatives of Amerasians who have resettled in the United States since 1989. At an estimated cost of \$6,000 per person to process, transport and resettle refugees, according to government figures, fraud on that scale would mean that more

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Hitler (What's Left of Him) in Moscow

Reuters

MOSCOW — Parts of Adolf Hitler's skull are lying in Moscow in the Russian State Archive, its director, Sergei Mironenko, said Friday, ending decades of speculation over the whereabouts of the missing remains.

"I am holding in my hands the remains of Hitler's skull," a journalist, Ella Maximova, wrote in an article in the newspaper Izvestia.

Miss Maximova wrote that the remains of the Nazi leader had been kept "in the strictest secrecy" for God knows how many years, in a cardboard box marked "Blue Ink For Pens," together with some bloodstained splinters of wood from the sofa in Hitler's last office in the bunker.

She said she had studied six thick volumes of an investigation into Hitler's fate compiled by Stalin's NKVD security police. The files showed that Hitler and his wife, Eva Braun, killed themselves in the afternoon of April 30, 1945, as Soviet troops advanced into Berlin.

Their bodies were doused with gasoline and set on fire in the gardens of the Reich-

kanzlei, and were then thrown into a hole and thinly covered with earth and rubble.

The remains were found on May 4 by a Russian soldier, Ivan Churkov, when he stepped into a bomb crater in the Reichskanzlei grounds.

Hitler's final resting place has long been a subject for speculation, with persistent theories that his remains could still be in the hands of the security police or its successor.

Miss Maximova's articles, published on Thursday and Friday, were a plea for the case to be closed and for public opinion to accept what she said was proof of the Nazi leader's death. Her report said Hitler's body had been destroyed at least 20 years ago.

All that was left, she wrote, were "the jaws, full of crowns and bridges — which in May 1945 immediately allowed the dead bodies of Hitler and Eva Braun to be identified — and which rumor had it were in the State Security archives."

Today there are only fragments of skull bones, Miss Maximova wrote. "What re-

mains are parts of the back of the skull, as well as the left temple bone," she said.

Soviet authorities investigated Hitler's death for more than a year, to check whether he might not have escaped by substituting a double. They questioned Hans Lingg, his huttler, who was one of the few people to see the dead leader's body. But the investigation ended in 1946 with a question mark.

"All the evidence supports the evidence of Lingg and others that Hitler met his end by suicide," Miss Maximova quoted the report as saying. But it added that "the commission finds it impossible to draw a definitive conclusion."

Drawing on Mr. Lingg's testimony, she describes Hitler's last hours and his hasty burial.

After Hitler had taken an emotional farewell of Mr. Lingg and a junior huttler, advising them to run and seek refuge with the Americans, Mr. Lingg left him alone.

"After a few steps, Lingg thought better of it and went back to wait for the drama to

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Kiosk

260 Rescued Off Denmark

STOCKHOLM (AP) — A Swedish-registered hydrofoil carrying 260 people took on water in rough seas between Sweden and Denmark on Friday night, and passengers transferred to another vessel, Danish Navy rescuers said.

The Danish police said that no one was injured and that passengers remained calm after a large wave pushed out several windows of the hydrofoil Cinderella. Passengers fell from the ceiling of the passenger cabin. The hydrofoil sailed into calmer water in the lee of Flakfortet, an artificial island outside Copenhagen.

General News

Two ministers quit as Italy's corruption scandal threatens the government. Page 2.

Art

Art and artists of the early 20th century, as Guillaume Apollinaire saw them. Page 6.

Business/Finance

Tension flared again over farm trade. Page 7.

Money Report

Best bond buys, Italian profit amid scandal, semi-conductors stocks. Pages 14-15.

Index	Up	Down
Dow Jones	19.99	3,322.18
Trib Index	0.21%	91.39

The Dollar	NY close	prev. close
DM	1.638	1.6315
£	1.454	1.4475
¥	118.32	119.16
FF	5.547	5.5057



HOW'S THE ARMY? — The Detroit Tigers' manager, Sparky Anderson, chatting Friday with John Doherty, a pitcher, on the first day of spring training in Lakeland, Florida. Page 16.

Handwritten signature or stamp at the bottom of the page.

FIRST 100 DAYS / BOLD CHALLENGES

POLITICAL NOTES

A Visitor Who Gives FDR Library Connections

HYDE PARK, New York — Verne Newton, director of the Franklin D. Roosevelt Library here, received the strangest phone call of his home last Sunday afternoon.

It was from a guard at the library who said that some telephone company technicians were at the front gate and needed permission to install 20 new phone lines. Immediately.

To the amazement of the guard, and of Mr. Newton, the president of the United States was planning to come to town Friday to sell his economic plan.

By the way, he wanted to stop at the library that housed memories of another president who had led the nation through other difficult times.

Forty-five minutes later, the White House called Mr. Newton to confirm that the trip was under consideration.

And less than an hour after that, a presidential advance team was knocking on his door. (NYT)

Deft Hand on Clinton's Electronic Cue Card

WASHINGTON — President Clinton knew he had caused a little bit of trouble with his often extemporaneous hourlong State of the Union Address. Afterward, he telephoned to thank the aide who was responsible for rolling the text of the prepared speech on the Teleprompter for the president to read.

It had been up to Air Force Staff Sergeant Rodney Kipping to know when to stop the machine — while Mr. Clinton spoke off-the-cuff — and to resume rolling the text when the president returned to his prepared remarks.

"The man must have been having a heart attack," said Frank Greer, a Clinton campaign adviser. (LAT)

For Government Scandals, an Old Boys' Club

WASHINGTON — There they were, former criminal defendants from three scandals spanning two decades — Iran-contra, Watergate and a lesser-known affair from the Reagan era known as Wedtech.

From Caspar W. Weinberger and Lyn Nofziger to G. Gordon Liddy, all were seated at the head table Thursday night for a "Salute to Cap Weinberger" at the 20th annual Conservative Political Action Conference.

"My little problem with the U.S. government cost \$1.8 million," Mr. Nofziger, a former White House aide, confided to the audience of several hundred people shortly before he received a check from conservative groups to help defray his legal expenses.

Mr. Weinberger, along with the former CIA official Clair E. George, and the former State Department official Elliott Abrams, picked up checks, too, and were honored as patriots.

Mr. Liddy — who was commended for the bungled Watergate burglary — wasn't being honored. But he got to sit with the others by virtue of his involvement in conservative causes over the years.

He was the only one at the head table who had spent time in prison — four years.

Mr. Weinberger, Mr. George and Mr. Abrams were among the six Iran-contra figures granted Christmas Eve pardons by former President George Bush.

Mr. Nofziger, the former political director of the Reagan White House, was convicted for lobbying his former colleagues on behalf of the scandal-plagued Wedtech Corp. and other companies too soon after he left the government.

His convictions were reversed on grounds that the indictment was invalid.

"I look up and down the table and I see I'm the innocent one," Mr. Nofziger joked. (AP)

Some Repartee a Senator Keeps to Himself

WASHINGTON — Funny thing about great dialogues that occur on the floor of the congressional chambers — the really great ones never quite make it into the Congressional Record.

On Wednesday Senator Jesse Helms, Republican of North Carolina, and his ideological nemesis Senator Edward M. Kennedy, Democrat of Massachusetts, were debating whether foreigners who have AIDS should be allowed residency in the United States.

Mr. Kennedy had just finished arguing rather loudly (and ultimately unsuccessfully) on their behalf, when Mr. Helms rose from across the aisle, twisted the knob on his hearing aid and said: "I get me adjust my hearing aid. It could not accommodate the decibels of the senator from Massachusetts. I can't match him in decibels or Jezebel, or anything else apparently."

When the Congressional Record — the daily digest of floor activity — came out Thursday, the line about Jezebel had been deleted.

A spokesman for Mr. Helms — who has the right to adjust his comments before publication — had no explanation. (WFP)

Quote-Unquote

Carla Green, a waitress in St. Louis, Missouri, on one aspect of Mr. Clinton's deficit-reduction plan:

"That itty-bitty energy tax is like the difference between whether my son and I order a pizza in the house one night, or not. My dad, who is in the income bracket that is going to be affected, said to me: 'You're going to give up a pizza. I am going to give up a \$200 dinner with wine, but we've all got to do something.' It's just the way it is." (NYT)



President Clinton greeting a crowd in St. Louis after giving a speech on his economic agenda.

The Long Clinton Wish List: A Lot of 'ifs' to Be Overcome

By R. W. Apple Jr.
New York Times Service

WASHINGTON — It is a staggeringly long agenda that President Bill Clinton has laid before Congress and the nation, and his aides say he plans to press for much of it in his first year in office.

Not only does he intend to undo the Reagan revolution by increasing taxes, slashing the military budget,

NEWS ANALYSIS

trimming spending here on some old projects, increasing it there on some new ones; he also proposes to create an entirely new system of health care, to reform campaign laws, to launch a service corps, to "end welfare as we know it," to impose gun controls, and on and on.

The last president to try anything on that scale was Lyndon B. Johnson, and he had a lot of things going for him that Bill Clinton does not have.

But Mr. Clinton believes that after months of talking about change, the moment for action is at hand, a genuinely pivotal moment for the nation, and that only a bold challenge from the White House stands a chance of success.

As a senior White House strategist said Thursday, "The voters gave us a mandate for change. If they did anything, and we have to make everyone and everything that stands in our way look like a roadblock on the highway to the progress the country demands."

So Mr. Clinton expresses exasperation with "all the naysayers" and earnestly seeks the cooperation of Ross Perot. Together, with both opposing the status quo, they won 62 percent of the popular vote last year; together, they might move Congress in their direction.

In an interview Thursday, Mr. Perot outlined an agenda that goes well beyond the president's, which could help Mr. Clinton by making his list of programs seem a more temperate alternative.

But Mr. Perot is not ready to put his stamp of approval on the Clinton plan, and even if he did it is not clear that he can transform votes for him into effective pressure on Republican and Democratic members of Congress.

Much will depend on how deeply the nation believes that the mushrooming deficit represents a true national crisis, and how persuasively it communicates its feelings to Capitol Hill.

In the two years that Mr. Johnson pushed through the main elements of his Great Society legislation, he benefited from a sense of crisis brought on by the civil rights movement and from the shock delivered to the national psyche by the assassination of President John F. Kennedy.

Mr. Johnson was able to push through his programs not only because of a mood of national peril, but also because of huge majorities in the Senate and the House that Mr. Clinton simply does not have.

The Democrats began 1965 with a 36-seat majority in the Senate and a 118-seat majority in the House. This year the Democratic majorities are 14 and 84, which means the president will have to work much harder to keep his party in line.

That is no longer as easy as it was 30 years ago. The evolution of the mass media has made direct communication between voter and representative more important, in many cases, than the influence of the White House. Party leaders on Capitol Hill no longer control very many votes.

If the radio and television talk shows begin over the next week or so to produce a consensus unfavorable to the president — if, for instance, the idea takes hold that the new taxes are sure to materialize and the spending cuts may not — the fairly solid Democratic front may start to crumble.

A special target for Mr. Clinton is the lower-middle-class suburban voter. In the thousands, these so-called Reagan Democrats deserted President George Bush last fall, voting either for Mr. Clinton or for Mr. Perot.

William Kristol, who was chief of staff to Vice President Dan Quayle, commented Thursday that Mr. Clinton tried Wednesday night to convince them that government could again be their friend by distributing the tax burden as he did and by emphasizing government programs of direct help to them, like education and jobs, and not divisive social initiatives.

But such voters, whose decisions to give Mr. Clinton a try made it possible for him to carry such swing states as Ohio, Michigan, Illinois and Missouri, remain highly skeptical about government and its propensity to tax.

Equally dangerous to Mr. Clinton, as he himself said candidly Wednesday night, is the possibility that the legislators might start to pick the package apart under pressure from constituents or lobbyists or both, choosing to accommodate one industry but not another — and undo every subtle, careful political balancing act.

A Salesman's Pitch in Friendly Territory

By Richard L. Berke
New York Times Service

CHILLICOTHE, Ohio — Like any good traveling salesman, President Bill Clinton knows the wisdom of staying clear of hostile customers. And he seemed to pick the right territory to peddle his economic remedy: friendly, even awe-struck audiences, carefully stocked with Democrats.

Yet beneath the ovations, beneath the roars of approval, there was a skepticism among many people who have heard Mr. Clinton's hand sell firsthand over the last two days.

In interviews with about 50 people who attended the president's question-and-answer session at a high school here, or his speech in St.

Louis on Friday, there was praise for Mr. Clinton's boldness in proposing tax increases and then personally confronting people who would have to pay them.

But again and again, those questioned said they wanted proof that the administration, and the Congress, would do its share to trim spending.

"I don't want to wake up in four years and have him tell me, 'Uh oh,'" said Jeri Sexton, a homemaker who voted for Mr. Clinton. "I want to trust him, but I still need to see the facts and figures."

Peg Grimes, a zookeeper and homemaker on her family's farm near here, said Mr. Clinton's one encouraging remark was his explanation

that he did not want to raise taxes without making cuts. But, she said, "I'm just uneasy. We're used to tax and spend. He's talking tax and spend and cut. We'll see."

Mr. Clinton once again showed his skill at connecting with people. On Friday, he stood at the edge of the podium, microphone in hand, looking earnest and concerned at he looked gazes with his questioners.

His audience in St. Louis had been made to look heterogeneous but was sprinkled with partisans. Even so, many of those who came uninvited, or out of curiosity, seemed encouraged.

"Even if it's a lot of window dressing, at least he's trying," said Christy Marshall, who voted for him. "It's very staged, sort of a slick image."

Tax Break for Art Donations

New York Times Service

NEW YORK — Buried in the details of the economic plan outlined by President Bill Clinton is a proposal that would produce far-reaching benefits for museums, universities, conservation groups and other nonprofit organizations.

The proposal, by eliminating a part of the 1986 Tax Reform Act, would make all major gifts to nonprofit organizations fully deductible at current market value, rather than at the purchase price, which is nearly always much lower. This would encourage art collectors to donate paintings to museums rather than holding onto them or selling them. The proposal would cost the federal government about \$70 million a year, the Treasury Department estimated Thursday.

"It's superb news," said William H. Luers, president of the Metropolitan Museum of Art in New York. "It means that the Clinton administration supports investment in our large cultural institutions around the country."

Away From Politics

- A Haitian gunman who hijacked a missionary plane to Florida gave up his weapon in midflight after being preached to by one of the passengers. Woody Marc Edouard, 24, surrendered after the twin-propeller DC-3 landed at Miami International Airport with 12 others aboard, all believed to be Americans. Mr. Edouard was held on an air piracy charge, which carries at least 20 years in prison.
- Teledyne Inc., a leading maker of military electronics, has agreed to pay \$2.15 million to settle charges that it failed to perform tests on electronics components to the military for use in fighter planes and helicopters, the Justice Department said Friday.
- Half of the first 12 prospective jurors in the Rodney G. King beating case, which ignited the Los Angeles riots last year, have been dismissed for bias. Six new prospects were seated, among them a black man.
- A judge in New Bedford, Massachusetts, refused to throw out most charges against James R. Porter, a former Roman Catholic priest accused of having molested dozens of children nearly 30 years ago. Superior Court Judge Robert L. Steadman dismissed only a few charges, citing the statute of limitations.
- A Robinson R-22 helicopter and a Cessna 152 plane collided at an airport near Atlanta, killing four people, the Federal Aviation Administration said.
- A Los Angeles painter, Anthony Tetro, 42, pleaded no contest to charges that he had forged works by masters and agreed to a six-month prison term. The forgeries, which were made between 1984 and 1989, were sold at a gallery for a total of \$100,000, prosecutors said. (NYT, LAT, AP, Reuters)

Republicans Falter In Opposition Role

By Clifford Krauss
New York Times Service

WASHINGTON — Outnumbered and outgunned, Republicans in Congress concede that they are getting off to a slow start in their efforts to kill President Bill Clinton's economic program, or at least to modify it to include more spending cuts and fewer tax increases.

Republican legislators are beginning to sound the way their Democratic counterparts did during the Reagan era, grumbling about their disadvantages in competing with a president who knows how to use the persuasive powers of his office.

Their problems in developing an alternative economic policy and selling it to the American public are part of the broader challenge of their transformation from cheerleaders of the Bush White House to minority opponents of the new Democratic administration.

"I'm frustrated because it is hard for us to get our message out," said Representative John R. Kasich of Ohio, the ranking Republican on the House Budget Committee.

"We're going to come up with some kind of program. Leon Panetta has 300 staff people and I have 12, so it's going to take us a little more time, but we are working at it," Mr. Panetta is the White House budget director.

Mr. Kasich is one of several Republicans working on alternative budgets and economic plans. Senator Pete V. Domenici of New Mexico, the ranking Republican on the Senate Budget Committee, supports a plan to limit the growth of certain entitlement programs such as Medicare, Medicaid and some veterans benefits, as well as a new consumption-based income tax.

Other Republicans are putting out lists of expenditures they want slashed, such as funding for the space station and the superconducting supercollider. But in that effort, they often run into opposition from other Republican legislators whose districts benefit from such programs.

House and Senate Republicans have been virtually unanimous in criticizing the Clinton plan as a reprise of what they call traditional Democratic "tax and spend" policies. But despite several meetings aimed at coming up with an alternative package, their efforts appear to have stalled.

Some of the lawmakers want an all-out effort to kill Mr. Clinton's package, some others want to amend it, and still others want their party to lead a drive for a constitutional amendment requiring a balanced federal budget.

Only hours before Mr. Clinton addressed Congress on Wednesday night, Republican lawmakers expressed confidence that his economic program could not succeed.

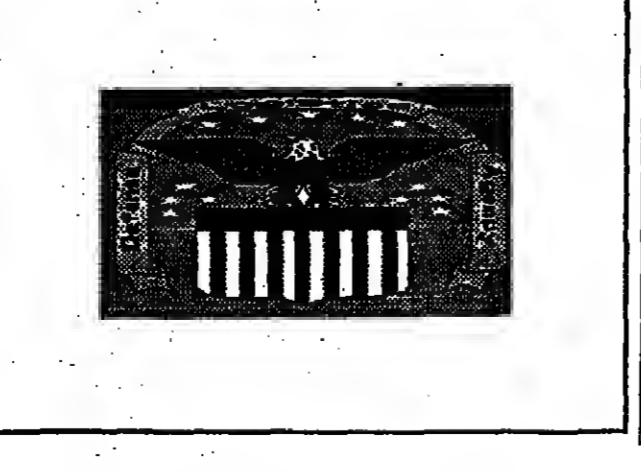
Telephone calls to Capitol Hill were running 10 to 1 against the president, with many constituents crying foul over Mr. Clinton's going back on a campaign pledge to avoid raising taxes on the middle class. But recent opinion polls show Mr. Clinton's having halted the slide and having won considerable public support for at least the broad outlines of his proposal.

"Our first challenge now is to get the facts out," said Senator Phil Gramm, Republican of Texas. "I think public opinion is strongly in favor of his speech but strongly against his program."

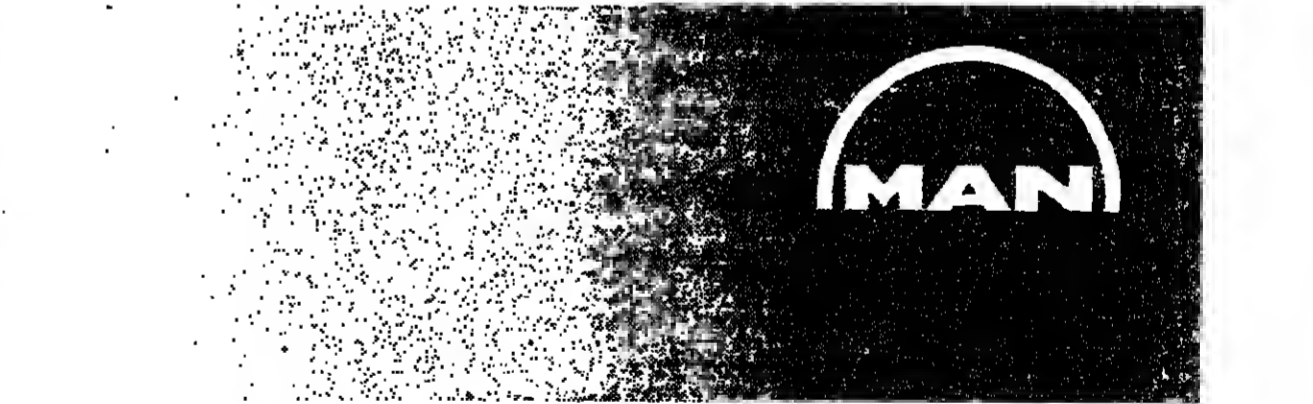
Accordingly, Republicans are traveling across the country this weekend, holding town meetings and appearing on local television programs to argue that the Clinton plan is too heavy on tax increases and too light on spending cuts. But with so many different Republicans offering with different alternatives, the party lacks a unified message for voters to listen to.

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This statement is as valid today as it was a hundred years ago, when MAN built the world's first Diesel engine. From 1893 to 1897 Rudolf Diesel worked with MAN's technical staff at the company's works in Augsburg to produce an operational model of his new engine. The final product has gone on to become one of the world's major success stories.

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All told, the Diesel engines produced by MAN Nutzfahrzeuge, MAN B&W Diesel and their licensees since the turn of the century have provided the world's motor vehicles, ships and power plants with more than 335 million kW (or 455 million horsepower) of power. Today, nearly one out of every two modern, large-size ships plying the world's seas is powered by a Diesel engine developed by MAN B&W Diesel.

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INTERNATIONAL Herald Tribune

Bosnia: Send Aid Now

A deepening crisis of starvation and deprivation now looms in Bosnia as a result of the cutoff of the 2,500 United Nations flights that have sustained Sarajevo with 28,000 tons of relief supplies since July and of the truck convoys that have delivered 35,000 tons of supplies to 110 other Bosnian locations.

to ensure deliveries into the rest of Bosnia. Will such greater efforts now materialize? In this regard, it seems that parties in the war are deliberately testing Secretary of State Warren Christopher's pledge Feb. 10 to consider "further actions" and "quite determined steps" to ensure the flow of humanitarian aid.

Congress's Turn Now

From Clinton, Vision

All President Bill Clinton promised was an economic plan, but his speech Wednesday to Congress offered something even rarer along the marshy rim of the Potomac — a vision.

He advocated stopgap savings in federal wages and Medicare-Medicaid. Then there were 150 piecemeal cuts touching some sacred Democratic priorities like rural electrification. Mr. Clinton's trickiest wrinkle was to declare as "investments" a variety of social programs such as Head Start and the Job Corps.

Where Will We Put the Next Three Billion?

By Anthony Lewis

MEXICO CITY — Bangladesh has a land area smaller than the state of Wisconsin — and 114 million people. Its numbers are growing so fast that by the year 2025 it will outstrip the present U.S. population of 250 million.

country's people live without sewers and a quarter without safe water. Can anyone be surprised that, despite the country's improving economic record, many Mexicans are desperate to leave?

Don't Leave Tokyo in The Dark

By Ayako Doi and Kim Willenson

WASHINGTON — A State Department correspondent once observed that "American diplomats put on their foreign policy pants one crisis at a time." Indeed, U.S. foreign policy is not so much made as driven by events — a fact that, in the early days of the Clinton administration, left one of its most critical allies, Japan, out in the cold.

In His Courage, and America's, Cause for Relief

By William Pfaff

PARIS — The relief is enormous. That Bill Clinton really has proposed a comprehensive, responsible, intellectually serious program to save the American economy is the first reason for that relief.

ous for American democracy, which slowly has been evolving toward something more like oligarchy (or even plutocracy) than representative democracy.

racism, and what to do about it; on abortion, homosexuality, feminism, public and private morality — a host of issues that in the past could be confined to private life because of public moral consensus.

ing this presidential election turned into still another campaign in the culture wars. Only the depth and pain of the country's economic condition permitted Mr. Clinton to keep the campaign debate on what should be done to give people jobs and good wages once again.

You Got a Better Idea?

Everyone knows the difference between Republicans and Democrats: The Republicans are the ones who want to cut spending. "We Republicans... insist on cutting spending... to reduce the deficit," Robert Michel, the House minority leader, said again the other night in complaining that President Bill Clinton was relying too heavily on tax increases instead.

not directly cuttable. Add up to two-thirds of the budget. You have to presume that it is mainly in the remaining \$500 billion that the Republicans would cut more than the president — but where? The \$34 billion in veterans' benefits? Well, no, not really.

Excuse Me, Mr. Clinton, I Must Have Misheard You

By Ronald Reagan

LOS ANGELES — Less than one month ago, America showed the world the strength of its democratic system with the peaceful transfer of presidential power from one elected citizen to another, incidentally, from one political party to another.

creation. Nearly 19 million new jobs were created for Americans of all income levels. And it may shock the Clinton administration to discover that most of the economic gains of the 1980s were made by low- and middle-income citizens, not the wealthy.

who does not understand a simple fact: The problem is not that the people are taxed too little, it is that government spends too much.

Until Mr. Clinton and the liberals in Congress accept that principle and act accordingly, I am afraid we are headed for a repeat of the late 1970s.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman LEE W. HUEBNER, Publisher JOHN VINOGRU, Executive Editor... WALTER WELLS, News Editor... SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELL-MORE, Deputy Editors... CARL GEWIRTZ, Associate Editor... ROBERT J. DONAHUE, Editor of the Editorial Pages... REYNOLD D. DALE, Economic and Financial Editor... RENÉ BONDY, Deputy Publisher... RICHARD H. MORGAN, Associate Publisher... JUANITA L. CASPARI, International Advertising Director... ROBERT FARRE, Circulation Director, Europe... International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.

Thanks Be for Wednesday's Amnesia

By A. M. Rosenthal

NEW YORK — Between President Bill Clinton's first economic speech and his second, two days apart, something important turned up missing.

On Monday, Mr. Clinton said that the \$100,000 rich folk were going to pay 70 percent of the raise in income taxes. He did not bother to say please or that he hoped they would think about it and see the necessity.

breaking as it is, Mr. Clinton will have to put considerable flesh on it for certain Americans.

here assembled assure the Gennos people of the profound conviction which unifies us. We assure the Gennos people that the American people loathe the military autonomy of the German Empire, but do not hate the German people.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Murder So Foul

MOSCOW — Further investigations have disclosed the fact that the sister of the novelist Dostoyevsky, who was supposed to have been accidentally burned to death, was murdered.

1943: Gandhi Weakens

NEW DELHI — [From our New York edition:] Little hope was held here today [Feb. 19] that Mohand K. Gandhi would survive his twenty-one day fast, following a doctor's statement that progressive urethral had set in and that the Indian nationalist leader's heart action was weakening.

1918: German to German

NEW YORK — Americans of German blood, in a great mass-meeting held at the Grand Palace, adopted resolutions assailing Kaiserism and urging the German people to overthrow their autocracy.

The writers are, respectively, editor and publisher of Japan Digest. He contributed this comment to The Washington Post.



By MOER in the Morning Herald (Sydney). GAV Synchro.

السؤال الأول

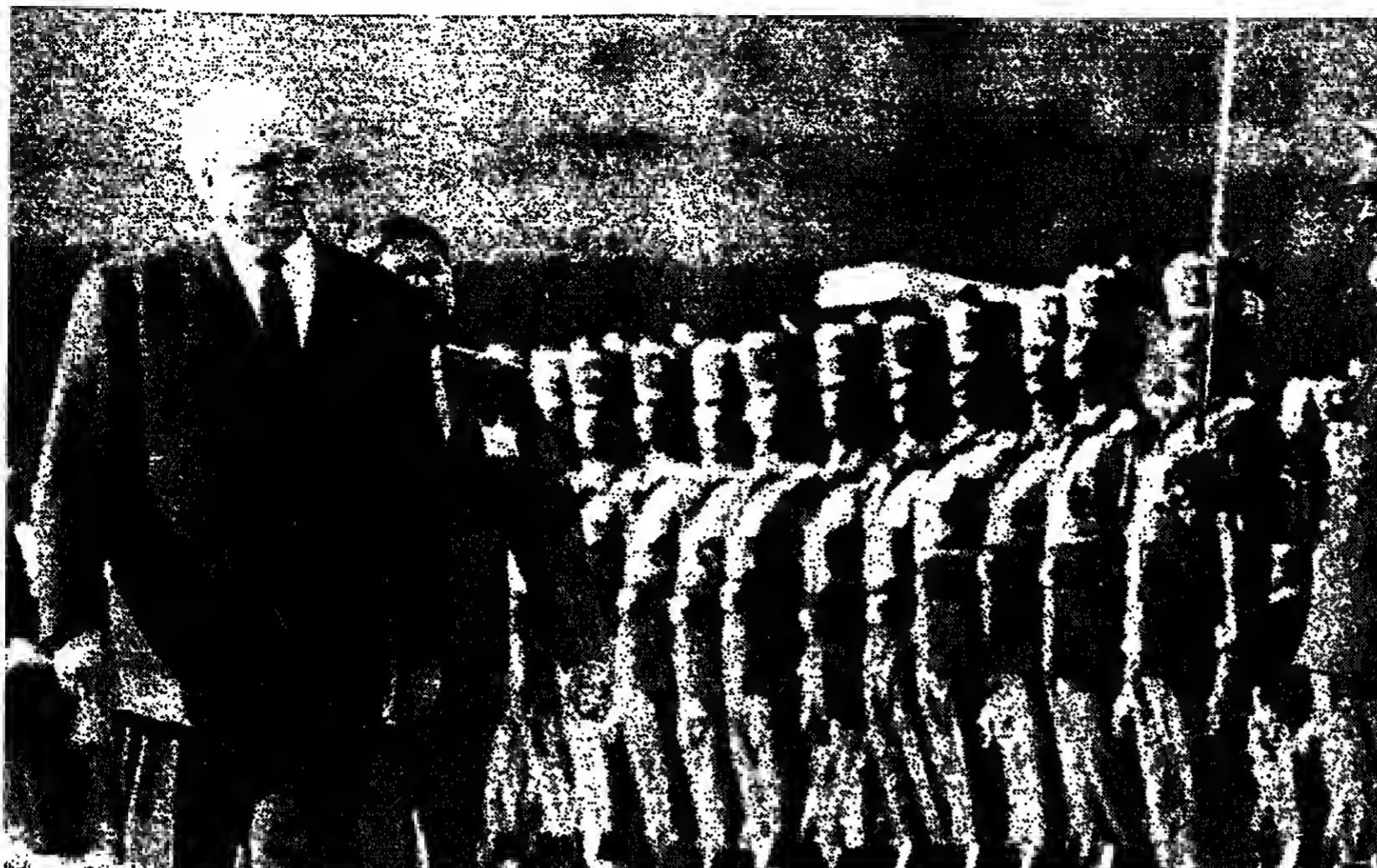
Don't Leave Tokyo in The Dark... By Ayako Doi and Kim Willenson

Nobelists Call for Sanctions On Burma

By Philip Shenon
New York Times Service
BANGKOK — A group of Nobel Peace Prize winners called Friday for Burma to be suspended from the United Nations and placed under a complete arms embargo until it releases political prisoners and ends other human-rights abuses.

The delegation, made up of five Nobel laureates and the representatives of two peace prize-winning organizations, also appealed to Burma's military government to recognize the results of a 1990 election won by followers of Daw Aung San Suu Kyi, the Burmese democracy leader who has been under house arrest since July 1989.

Daw Aung San Suu Kyi, who is detained at her family's lakeside villa in Rangoon, the Burmese capital, received the 1991 Nobel Peace Prize for her efforts to restore democracy to Burma.



Chancellor Kohl of Germany reviewing an honor guard in New Delhi on Friday as he started a tour that will include Singapore, Indonesia, Japan and South Korea.

EUROPE: East Asians, Increasingly, See It as a Distracted Continent

(Continued from page 1)
intended to reduce global trade barriers — as well as increases in trade frictions among the EC, the United States and Japan, and an accelerating trend toward regional trading arrangements — are unsettling developments for East Asians.

Kohl Bows To Japan On UN Seat

TOKYO — Chancellor Helmut Kohl of Germany said Friday that Japan's bid for a permanent seat on the United Nations Security Council was more urgent than Bonn's.

UN: About-Face on Bosnia Convoys

(Continued from page 1)
presidency said Friday that authorities in Sarajevo would end their eight-day aid boycott if the aid convoy made it through to the eastern Muslim towns.

Hitler: In 'Blue Ink' Box

(Continued from page 1)
unfold. A shot rang out, an acrid smell of smoke spread out from the entrance hall.

AMERICAN TOPICS

New Papers Prove Lincoln Was a Pro

A handful of Lincoln scholars, searching for scattered documents in dusty courthouse records all over central Illinois, are uncovering hundreds of previously unknown cases that bear out the long-held opinion of experts: Abraham Lincoln was not a country boy who told jokes homepun tales but a polished lawyer who had a major practice.

AMERASIANS: Once 'Dust of Life,' GIs' Kids Are Pawns in Visa Quest

(Continued from page 1)
than \$150 million in federal funds has been missed in the last four years.

Roars Return To Kuwait Zoo

KUWAIT — Kuwait's zoo has reopened, restocked and repaired more than two years after most of its animals starved to death during the Gulf War.

Armenia's Gas Pipeline Is Blown Up In Georgia

MOSCOW — A pipeline supplying gas to Armenia was blown up in Georgia on Friday for the third time in four weeks, an Armenian government spokesman said.

The Lincoln Legal Papers project is supported by the Illinois Historic Preservation Agency, the Abraham Lincoln Association, the University of Illinois Law School and the Sangamon State University Legal Studies Center.

Now that the Baby Boomers are reaching middle age, what to call the generation that is following them, people now in their 20s? In a cover article, U.S. News & World Report dubs them the "Twenty Somethings."

Escorts & Guides: Belle Epoque, Mercedes, Zurich, Munich, and others.

INTERNATIONAL CLASSIFIED (Continued From Page 17)

Only 285 Survive From Haitian Ferry, Up to 2,000 Aboard

The Associated Press
PETIT-GOAVE, Haiti — Haitian Navy and U.S. Coast Guard vessels resumed a search for bodies Friday, but an American officer held out little hope of finding any of the hundreds feared drowned when a ferry sank.

Chancellor Kohl of Germany reviewing an honor guard in New Delhi

(Continued from page 1)
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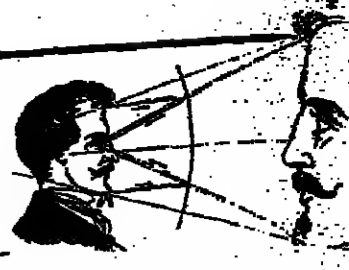
Hitler: In 'Blue Ink' Box

(Continued from page 1)
unfold. A shot rang out, an acrid smell of smoke spread out from the entrance hall.

Restaurants: Amsterdam, Paris, Carr's, L'Abucci, Le Procopé, Yugaraj, Thaumiel, Sam Pepper, Da Meo Patacco, Kervansaray.

ART

Saturday-Sunday
February 20-21, 1993
Page 6



Marie-Jo Lafontaine's fire-circle work, "Jeder Engel ist schrecklich," in "Four Elements" exhibition in Hamburg.

Blip: Messages From Mixed Media

By David Galloway

HAMBURG — This elegant Hanseatic port city is currently bleeping and bipping, warbling and woofing, in a bid to become media capital of the new Germany. "Mediale" is the name of the high-stakes, self-promotional game conceived by Thomas Wegner, a local businessman and media-art collector. To his considerable credit, and thanks in large part to his charisma, virtually every cultural institution in the city — from the opera to the Museum of Electricity — has conceived its own media extravaganza.

The interaction of man and machine, at the experimental "Kampnagel Fabrik" is the subject of "Drifting, or 500 ways to bang your head," presented by the COAX dance theater. Melancholically mechanical sculptures by Jon Kessler are on view at the Kunstverein, while the resourceful Brian Eno has transformed a decrepit market hall near the central train station into a son-et-lumière wonderland entitled "The Future Will Be Like Perfume." Fourteen private galleries are making their own contributions to the citywide "Mediale," with shows that include such veterans of the electronic avant-garde as Manfred Mohr and Herbert W. Franke.

To symbolize the entry into a new age, the theatrical wizard Robert Wilson designed a half-open steel door, 30 feet (9 meters) high, that was lowered by helicopter onto a position on the Alster, the lake around which Hamburg's downtown commercial district is clustered.

At the heart of the electronic euphoria is an exhibition entitled "The Four Elements," at the renovated Deichtor Halls that once served as a wholesale produce market. The 25 artists on view (and on the air) there include the old master Nam June Paik and three of the most authoritative video-sculptors of the day: the Belgian Marie-Jo Lafontaine, the Italian Fabrizio Plessi and the American Bill Viola. Together with the overexposed Paik, they number among the few new-media artists who have broken out of the electronic ghetto to make their mark on such international exhibitions as "documenta" and the Venice Biennale.

With the aid of such established talents and a budget of 1.2 million Deutsche marks (\$740,000), the curator, Walk Herzogenrath, attempts with only limited success to give the media arts a new context. He argues persuasively that the time has come to talk less about the artist's tools and more about the goals they serve. Hence, the show focuses on various approaches to the four elements in art, including a historical survey of 17th- and 18th-century engravings that explore the powers and prerogatives of earth, air, fire and water.

To suggest a tenuous bridge from the Baroque to the postmodern, works from the 1960s and '70s — a pulsing water sculpture by Klaus Rinke, a stone circle by Richard Long, a fire-room by Jannis Kounellis — are also part of the presentation. This time around, they are assigned to the ghetto, along with the traditional prints, to form an isolated, didactic center for

the soaring hall in which they are shown. The provocative vis-à-vis confrontations that might have been possible — Lafontaine's video sculpture "Jeder Engel ist schrecklich" (Every Angel Is Frightful), with Kounellis's gas-burner installation, for example — are thus nipped in the bud.

WITH the exception of installations by David Rokeby and Magdalena Jetelova, the Hamburg exhibition is most memorable for its video works, which have long been a specialty of the show's curator. Though nearly a decade old, Bill Viola's "Theater of Memory" has lost nothing of its compelling mystery. Lafontaine's cone-shaped installation, in which the viewer seems trapped in a fiery furnace, testifies to the artist's uncompromising intelligence and professionalism, yet it lacks the erotic tension of her previous works.

For all its curatorial lapses, "The Four Elements" proclaims a new era for new-media artists, but their day will first truly come when critics, curators, collectors and artists themselves cease to think first of whether a work is created with chip or chisel, pencil or pixel. The medium, after all, is not the message.

"The Four Elements" is at the Deichtor Halls until March 28. A 338-page catalogue, with detailed information on all "Mediale" events is available for 20 Deutsche marks.

David Galloway is an art critic and free-lance curator based in Wuppertal, Germany.

Through the Eyes of Apollinaire

By Michael Gibson
International Herald Tribune

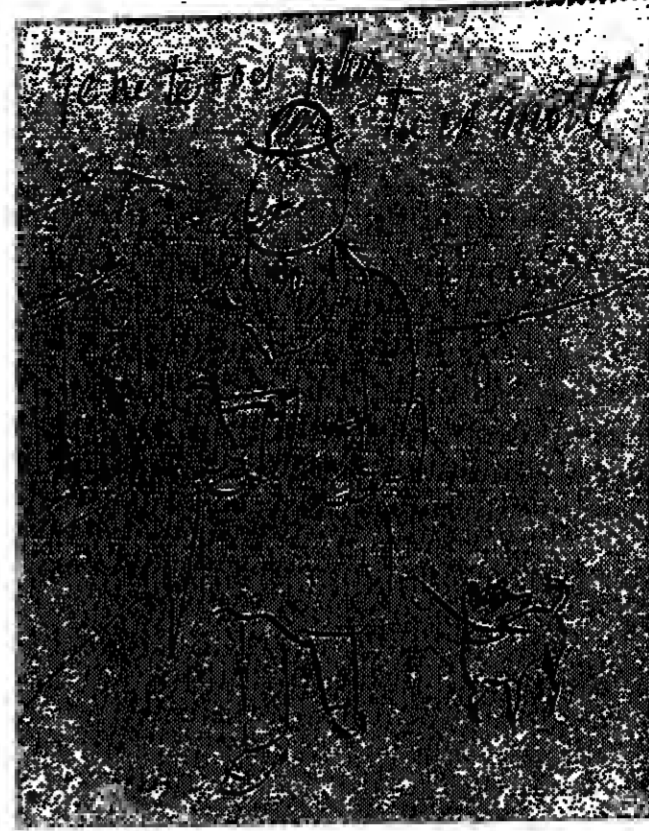
PARIS — The art of the first two decades of this century is all too often set before us as neatly sorted and classified as if it had always been part of a botanist's herbarium. But what was it like when the juices still flowed through those desiccated plants that feed the endless ruminations of art history?

A delightful (and competently art-historical) exhibition devoted to the poet Guillaume Apollinaire's contribution to art criticism successfully evokes the great variety of attractive artistic styles practiced in those years. To this diversity, Apollinaire, ever more the poet than the critic, responded with a wonderfully fresh, whimsical and open mind.

Apollinaire took up criticism in 1902, at the age of 22. He was a brilliant and amusing young man with a penchant for women and a taste for practical jokes, which he had in common with a number of artists of his day. Criticism only just allowed him to eke out a living — he was not a man of means — and his willingness to stick out his neck for artists he admired commands respect. He was fired from one newspaper because he chose to praise the sculptor Aristide Maillol.

With sensitivity served him well in all his writing and he is remembered as an admirable lyric poet whose verse carried a fresh gust of modernity. This was all the more necessary since the heritage of the 19th century lay heavy upon French culture in those days. The poet suggests as much in a long, unpublISHED poem written in 1910 — a poem full of kaleidoscopic effects that rather call to mind the fragmented perspectives of Cubism:

*In the end, you are weary of this old world
Shepherdess O Eiffel tower your flock of bridges is bleating in the dawn*



Picasso drawing of Guillaume Apollinaire (1905).

*You have grown weary of living in Greek or Roman antiquity
Here even the automobiles look antique.*

Apollinaire is remembered as the critic who understood and praised the Cubists, but his taste was rooted in the 19th century. He also spoke favorably of the paintings of the Symbolist Henry de Groux, of the posters of Leonetto Cappiello, of the clever caricatures of the actor and dramatist Sacha Guitry, of the sensuous nudes of Kees van Dongen, of the amusing illustrations of Benjamin Rabier, of the drawings and the King Ubu puppets of Alfred Jarry and, probably because he was in love with her, of the paintings of Marie Laurencin. He also praised Henri Rousseau, who portrayed

about painting, and yet he had an instinct for the real thing. Poets often sense these things.

The exhibition (with a catalogue published by Gallimard) assembles the artists whom the poet mentioned — the texts are posted on the walls — and one gets the fleeting impression that he approached the subject as unblinkingly as might a child rambling through an open field dotted with colorful flowers, picking those that suit him at the moment.

In fact, this brilliant man also had his serious criteria. A major lesson to be learned from Apollinaire today is that the strategies of art are the same as those of life, which is endlessly proliferating and bifurcating into strange and unexpected species. It was the spiritual operation feeding this constant invention of new solutions for art that fascinated him. And in this sense, as Philippe Dagen points out in the catalogue, while Picasso and Braque produced cubist paintings, they were not really "Cubists." The Cubists came after them, systematically and unimaginatively exploring a definite range of techniques.

In this realm, as Apollinaire demonstrates despite the occasionally lightweight quality of his criticism, orthodox and dogmatism can only be deconstructing. Apollinaire makes no claim to truth and Apollinaire, willingly declared by his emotions. But it should not be forgotten that, as Picasso noted, he had a subtle flair.

Apollinaire, finally, was a modernist, but he did not despise the past. The chief demand of modernity, as he saw it, was that one scrape the barnacles of habit and technique from the keel of art to reveal its true nature and restore it to its former sleekness.

Apollinaire was wounded in the head in World War I. He survived trepanning only to die of the Spanish flu in 1918, at the age of 36.

Apollinaire, critique d'art, Pion de Paris, 111, Rue Rambuteau, 10 May 9.

At Auction, Words and Works on Wine

By Joseph Fitchett
International Herald Tribune

PARIS — The finest collection of works on wine ever to reach the auction market will be sold in Paris on Saturday — 650 items ranging from the earliest printed book on the subject to sought-after Art

Deco posters commissioned by the Nicolas wine dealers. Cooking and gastronomy have long had a market niche of their own, but wine, with its narrower public, has seldom attracted the quest for rarities displayed for 30 years by Kilian Fritsch, whose library will be dispersed at the Hôtel Drouot auction. The auctioneer Guy Loudmer

marks the occasion with a lavish catalogue by Gérard Oberlé — who describes himself as a bibulous bibliophile — that is a landmark in the often recondit scholarship of wine writing.

The best-known item in the sale is a complete collection, perhaps the only one in existence, of the catalogues distributed by the Nicolas chain of wine stores in France, annually starting in 1927. Illustrated by minor French artists, these albums — particularly those by Cassandre, Paul Iribe and Charles Martin — epitomized the best graphic art in Paris in the years before World War II. Given away to customers at the time, the catalogues first found a public among wine buffs, then among museum curators.

In a lively postwar French venture along these lines, Château

Mouton Rothschild, induced modern artists, including Picasso and Motherwell, to produce wine-related paintings that were used on the labels of this renowned Bordeaux wine. Among the best results of this series is the label for the great 1975 vintage done by Andy Warhol. In fact, the series is the label for the great 1975 vintage done by Andy Warhol. In fact, the series is the label for the great 1975 vintage done by Andy Warhol.

For aficionados, the most precious item in the sale — estimated to bring in \$25,000 — is a rare copy of a 15th-century book: the Tractatus de Vitis, a treatise in Latin believed to be the first printed book on wine. Illustrated manuscripts take the field of wine back centuries, and the books and official documents on wine making and wine selling bring the sale down to the present.

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سكرا من الامم

Business Split Over U.S. Tax Impact

By Steven Pearlstein
Washington Post Service

WASHINGTON — American businesses are of two minds on whether President Bill Clinton's economic program will spur them to make the investments and add the jobs the administration has said are necessary to get the U.S. economy back on track.

Several executives warned that the proposal for a new energy tax and other features of the plan could actually make U.S. products less competitive in international markets.

At a construction company in Providence, Rhode Island, executives said the extra public-works spending proposed by the president should help it achieve a planned 15 percent increase in its work force this year.

But in Charlotte, North Carolina, the steel industry's leading mini-mill, Nucor Corp., said that

even a 10 percent increase in its sales would not result in any new hires because most of its plants were running well below capacity.

Lo Beaverton, Oregon, the maker of Air Jordan basketball shoes predicted that any increased income taxes it would have to pay would be passed along to consumers in the form of higher prices.

When it all shakes out, economists at DRI/McGraw Hill Inc. said Thursday, the "stimulus" portions of the Clinton plan should add half a percentage point to the growth in the U.S. economy this year and next. But conservative economists warned that higher energy and income taxes on wealthy individuals and corporations would eventually choke off a truly sustained recovery by denying businesses the money they need to hire new workers.

Among the obvious losers from the president's plan are the nation's white-tablecloth restaurants that rely on expense-account eating, which will now only partly qualify for tax deduction.

The fuel tax proposed by the president will be just the latest blow to the U.S. aerospace industry, which is already reeling from billions of dollars in losses as a result of having too many airplanes chasing too few passengers.

Across the country, many industries are in the midst of a shakeout in which weak companies are laying off people in an effort to lower costs.

At Nucor Corp., the steel producer based in Charlotte, the vice chairman, Samuel Siegel, said his company would continue to invest aggressively in new plants and equipment, but not because of the 7 percent investment tax credit proposed by the president.

"We think it is a bad idea to make decisions like that based on tax considerations," he said.

Like many in industry, Mr. Siegel pointed out that the proposed investment tax credit is available for only two years, while it takes three or four years for a steel plant to move from an idea to actual construction.

Higher fuel costs are likely to raise the price of U.S. steel as much as \$5 a ton. That could result in the loss of some business to foreign sources. But for Nucor, which operates some of the industry's most energy-efficient facilities, that increase could allow it to steal some business from some of its larger competitors, Mr. Siegel said.

At Gilbane Construction Co. in Providence, Paul Choquette, the president, sees a real boost

See EFFECTS, Page 9

Trade Tensions Rise as EC Urges Farm Pact Vote

Compiled by Our Staff From Dispatches

BRUSSELS — Tensions over farm trade flared up on Friday when France revived its threat to veto a controversial agricultural accord between the United States and Europe after the EC farm commissioner urged a speedy vote on the pact.

The commissioner, René Steichen, said he was seeking to have the agricultural agreement put to a vote by European Community states before France's legislative elections on March 21 and 28.

"We must make clear our intention to accept this accord," Mr. Steichen said. "It's good for the Community to at least have calm on this front."

In Paris, Agriculture Minister Jean-Pierre Soisson said he would veto the deal if the EC Commission asked farm ministers to vote on it. "I will use France's veto power to block an accord that is contrary to the interests of its farmers," he said.

France's ruling Socialists, who are expected to be driven out of office in the March elections, have faced strong protests from farmers over the accord's provisions that would restrict European production of oilseeds.

The agreement on oilseeds was a key step in opening the way for final negotiations to conclude the so-called Uruguay Round of talks under the General Agreement on Tariffs and Trade to liberalize world trade.

Mr. Steichen said that the accord would be put on the agenda for the next meeting of foreign ministers, which is scheduled for March 8.

He said he would not expect France to use its veto, but in any case the deal needs only the support of a majority — not all — of EC nations.

"I do not believe that there will be a French veto," Mr. Steichen added.

A French threat to veto an EC-U.S. oilseed agreement would give the administration of President Bill Clinton the pretext it needs to launch a trade war, another EC official said. "It is the best way of renewing a trade war with the United States, which is waiting for such a chance," the official said.

Mr. Soisson also risks putting himself in the position of the bitter bit, since the vines of Burgundy are in the front line of the range of retaliatory measures prepared by the U.S. administration in the event of an agricultural conflict," the official added.

Mr. Soisson is the president of the regional council of the wine-producing region of Burgundy.

The dispute over oilseeds, dating to 1988, has muddied the waters of trans-Atlantic farm-trade talks.

In November, the United States and the Community agreed on a package that requires the Community to reduce the amount of acreage on which oilseeds are grown.

The trading bloc refused to accept American demands for production caps on the crops.

The agreement was reached after a panel examining the oilseeds dispute under the auspices of the GATT ruled twice against the Community.

Mr. Steichen said that was one reason he was looking for a speedy vote on the issue. "I think it would be a good thing because we have lost two panels in GATT," Mr. Steichen said.

"We should show the Americans we stick to our agreements," he said, adding he feared the United States might backtrack if the EC hesitated in accepting the deal.

(AP, AFP)

Projected Interest Saving Puzzles Bond Market

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Traders and dealers in the market for U.S. Treasury notes and bonds are skeptical about the Clinton team's projections that the government would save \$11.5 billion in interest expenses over the next four years by shifting away from longer-term securities and selling more shorter-term issues.

The subject is of vital importance to Treasury dealers, because a shift in the mix of securities sold would influence the price of outstanding long-term notes and bonds, as well as the direction of long-term interest rates.

On the surface, a shift away from long-term notes and bonds to short-term bills looks like it could be a potential windfall for

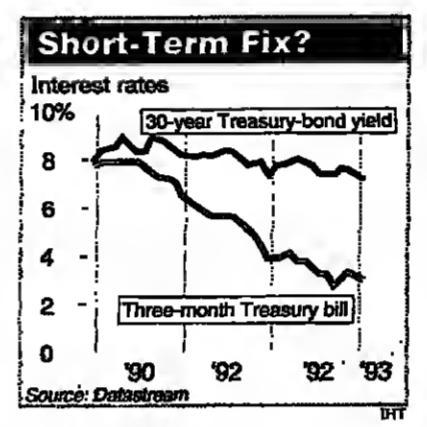
the government, because short-term interest rates are currently about four full percentage points lower than 30-year bond yields.

Still, analysts said they were skeptical about the projected interest savings. Short-term interest rates would need to remain low over the next four years to meet the projections, they said, and that assumption may rest on increasingly shaky ground as the economy recovers.

Moreover, huge amounts of debt now sold through 10-year notes and 30-year bonds would need to be sold instead as three-month Treasury bills in order to meet the estimated savings.

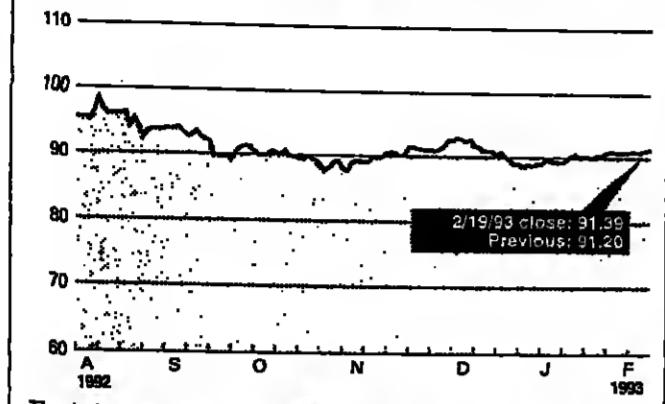
Finally, with 30-year bond yields at historic

See DEBT, Page 9



THE TRIB INDEX: 91.39

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Close	Prev.	% Change
Asia/Pacific	88.38	87.75	+0.73
Europe	92.15	92.29	-0.14
N. America	93.79	93.60	+0.19

Industrial Sectors	PL	Prv.	% Change
Energy	96.26	94.14	+2.25
Utilities	89.48	89.55	-0.08
Finance	87.44	86.97	+0.54
Services	103.38	103.19	+0.18
Capital Goods	90.82	90.51	+0.34
Raw Materials	94.30	93.79	+0.54
Consumer Goods	85.59	86.42	-0.96
Miscellaneous	96.61	96.36	+0.24

ECONOMIC SCENE

Corporate Tax Increase Holds Dangers for U.S.

By Sylvia Nasar
New York Times Service

NEW YORK — If President Bill Clinton wants to jumpstart investment and kick the American job machine into higher gear, why would he raise corporate taxes? Arguing that corporate tax makes capital more costly, favors debt financing and guns up the tax system, conservatives from Milton Friedman to Alan Greenspan have long advocated that it be abolished.

The Treasury could easily replace the \$100 billion or so it raises from corporations, they taxing business owners — the shareholders — for profits or losses.

Many public-finance economists are inclined to agree that the corporate tax has serious drawbacks. But as a practical matter few are particularly upset by the president's proposal to raise the tax rate on large companies to 36 percent, from 34 percent. Combined with a temporary investment tax credit, they say, the increase is apt to raise money without discouraging new investment.

"It's hard to get alarmed about a 2 percentage-point increase in the corporate tax rate," said Alan J. Auerbach, an economist at the University of Pennsylvania and, until recently, the chief economist at the Joint Tax Committee.

"I prefer lower rates and fewer preferences, including investment incentives," said Joel B. Slemrod, director of the Office of Tax Policy Research at the University of Michigan. "But it's not the biggest deal in the world."

James M. Poterba, an economist at the Massachusetts Institute of Technology, said, "It's a tax on past investments," adding "a tax on something that can't be changed is a public-finance economist's idea of a terrific tax."

In general, economists favor low rates over high ones because they believe that the free market allocates resources better than government tax writers. And the existence of two parallel tax systems, one for corporations, another for individuals, creates opportunities for people to shift income back and forth in hopes of

But opposition to the Clinton move is muted.

See TAX, Page 12

German M-3 Blip Stirs Brief Hopes of a Rate Cut

By Brandon Mitchner
International Herald Tribune

FRANKFURT — European markets rallied briefly Friday after a contraction in Germany's money supply raised hopes of lower interest rates, but prices settled back when the Bundesbank explained the shrinkage had been a statistical fluke.

The figure the Bundesbank considers its most reliable monetary barometer, the M-3 money supply, contracted at a seasonally adjusted, annualized rate of 2.3 percent in

January after having expanded 8.7 percent in December.

In Frankfurt, the DAX index of the 30 most-traded German blue chips rose 10.01 points to 1,682.27, its highest level in seven months, before settling back to close at 1,677.39.

In Paris, where signs of any softening of German rates are closely watched, the CAC-40 index of blue-chip French stocks jumped nearly 25 points to 1,949.55 on the M-3 news, before falling back to close at 1,938.17.

Because economists had predicted a growth rate of 4.2 percent, markets initially interpreted the M-3 figure as a surprise reversal that would immediately prompt another German interest-rate cut.

But while the figure might have been surprising, it is also the result of an "extreme exaggeration," Omar Issing, the Bundesbank's chief economist, said to a German newspaper, warning against hopes for any quick consequences. Indeed, the Bundes-

bank board left Germany's discount and Lombard rates unchanged on Thursday.

Extraordinary statistical factors will also render the money supply figures for February and March susceptible to aberrations, although it is clear that German monetary growth is decelerating, Mr. Issing said, according to an advance copy of the interview to be published on Saturday in the Frankfurt Allgemeine Zeitung.

The main reason for the sharp contraction

See BUNDESBANK, Page 8

Bentsen Talks Dollar To Low Against Yen

Compiled by Our Staff From Dispatches

NEW YORK — The dollar skidded to a record low against the Japanese yen Friday after Treasury Secretary Lloyd Bentsen surprised the market with an emphatic call for a stronger yen to help shrink Japan's trade surplus.

"I'd like to see a stronger yen," Mr. Bentsen told reporters. "It would help us with trade."

Just after his comment, the dollar fell sharply in New York against the Japanese currency, closing at 118.32 yen, an all-time low. The previous low for the dollar had been 118.65, set on Sept. 30.

Mr. Bentsen did not dwell on the subject in an appearance at the National Press Club in Washington but currency dealers interpreted his remark as the statement of a policy the administration will pursue aggressively.

"It's been made especially clear that the U.S. administration is pushing for a stronger yen to correct the trade imbalance with Japan," said Ronald H. Halzer, chief dealer at Harris Trust & Savings Bank in Chicago.

The Bentsen comment also lent support to recent speculation that the Group of Seven major industrialized countries would recommend a higher yen when they meet in London on Feb. 27. That speculation has helped drive the dollar 5 percent lower against Japan's currency this month.

A stronger yen would make Japanese exports more expensive and could curb Japan's growing trade surpluses with other nations.

Figures released Thursday showed that more than half of the \$84.3 billion U.S. trade deficit in 1992 was with Japan. The \$49.6 billion deficit with Japan represented a \$6 billion dollar increase.

Mr. Bentsen's remark came hours after public comments by several Japanese officials expressing concern about the year's rapid surge on foreign-exchange markets.

Prime Minister Kiichi Miyazawa told reporters, "It will be troublesome if it moves too wildly," after the dollar finished at 119.23, its lowest close ever in Tokyo.

The Japanese government favors a strong yen, but without rapid surges or foreign-exchange market volatility. Just Wednesday, the governor of the Bank of Japan, Yoshihiko Mieno, said Japan should ensure that the yen stayed firm to help cut Japan's large trade surplus.

But on Friday, the minister

See DOLLAR, Page 8

Clinton's economic program

Will it mean higher taxes for overseas Americans?

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Denmark	2,400	200	1,900
Finland	2,200	200	1,200
France	1,800	200	800
Germany (incl. D.M.)	800	200	300
Hand delivery	810	210	410
Greenland	190	200	105
Ireland	60,000	200	36,000
Italy	220	200	120
Japan	450,000	200	250,000
Luxembourg	15,000	200	7,100
Netherlands	710	200	300
Norway	3,200	200	1,800
Portugal	48,000	200	25,000
Spain	48,000	200	25,000
Sweden (incl. S.Kr.)	55,000	200	27,000
Switzerland	2,200	200	1,600
Switzerland (hand delivery)	2,300	200	1,800
United States	880	200	300
Rest of Europe, U.S. Africa, former French Africa, Middle East, Gulf States, Asia, Central and South America, Rest of Africa	780	200	450
Rest of Africa	920	200	450

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CURRENCY & INTEREST RATES

Cross Rates	Feb. 19
American \$	1.52
British £	1.62
French F	6.55
German DM	1.36
Japanese ¥	118.32
Swiss S	1.48
Canadian Cdn\$	0.71
Spanish Ptas	166.37
Italian Lit	2036.27
Portuguese Esc	200.48
Spanish Ptas	166.37
Italian Lit	2036.27
Portuguese Esc	200.48

Winners of the 1993 Valentine Classified Message Contest

TO MY MARVELOUS HUSBAND
I'm in this you must not be missed. I'm not for changes of money on I writing this honey. But because I'm so happy we're wed. Love, Mary

First Prize
\$600
Mary McCusker
Preguin, France

L. M. B.
YOU ARE THE UNLEASHED PETROL FOR MY CATALYTIC CONVERTER LETS DRIVE ON LOVE!

Second Prize
\$300
F. Nakhleh
London, England

DAKINE, I'm only a fisherman's daughter, but when I saw your rod, I needed, Virginia (Sis)

Third Prize
\$120
Roseanna Thieblin
Paris, France

Honorable mentions:
Pat Mauro, Düsseldorf, Germany
Jasmine M. Tani, Geneva, Switzerland
Jenne Schustl, Innsbruck, Austria
Alix d'Anglejan-Chaillion, Paris, France

who will receive an IHT book.

Congratulations!

Herald International Tribune

Sources: IHT Bank (Amsterdam); Deutsche Bank (Frankfurt); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

MARKET DIARY

Program Trading Sends Dow Higher

NEW YORK — Stock prices ended higher on the New York Stock Exchange on Friday after computer-guided buy programs tied to the double-witching hour boosted shares.

The Dow Jones industrial average, which had fallen 10 points on Thursday, rebounded 19.99 points to close at 3,322.18.

Advancing common stocks outnumbered declining issues by about a 3-to-2 margin. Trading was active, with around 307 million shares changing hands on the Big Board.

Standard & Poor's 500 Index gained 2.32 to 434.22 and the Nasdaq Composite Index rose 1.17 to 663.62. The American Stock Exchange Market Value Index climbed 0.11 to 402.39.

A sharp loss in Philip Morris, the second-most active issue which was down 2 1/2 to 68 and is a key component of the Dow, put strain on the index. Other tobacco stocks were also lower on concerns about high-

er cigarette taxes in President Bill Clinton's economic program.

Investors were still trying to figure out the economic ramifications of the president's plan to boost taxes.

Some analysts were concerned that Mr. Clinton's plan to boost taxes would disrupt the economic recovery, causing corporate profits to sink. Others said the economic problems of raising taxes will be offset by low interest rates.

One pessimist is Byron Wien, a Morgan Stanley investment strategist. "Clinton's program is going to put us back in a recession," he said.

The plan stunts consumer spending and increases corporate costs. That means corporate profits will go down.

On the other side are people like Maury Harris, a PaineWebber economist. "We still expect real economic growth of 3 percent in 1993 and growth should remain almost that high in 1994," he said.

Concern that the president's program would hurt the economy was being offset somewhat by optimism about low interest rates, analysts said.

(Bloomberg, UPI)

DOLLAR: A Low Against the Yen

(Continued from first finance page) For International Trade and Industry, Yoshiro Mori, warned that the yen could appreciate too much. "It could have an adverse effect on Japan's economy when it is in a slump," he said.

Finance Minister Yoshiro Hayashi, who met with Mr. Benets last weekend, attributed the yen's recent surge to "speculative" moves.

Low German inflation would give the Bundesbank more room to ease the high interest rates, which have created strong demand for mark-denominated investments.

At the close in New York, the dollar stood at 1.6380 DM, up from 1.6315 DM on Thursday.

The U.S. currency also ended at 1.5090 Swiss franc, down from 1.5057 francs, and at 5.547 French francs, down from 5.5075 francs.

The British pound closed at \$1.454, up from \$1.4475, while the Italian lire weakened to 1,570 per dollar compared with 1,555 on Thursday.

In earlier European trading, the lira tumbled after Italy's finance minister, Giovanni Goria, and health minister, Francesco De Lorenzo, resigned. Last week, Justice Minister Claudio Martelli quit after becoming implicated in a bribery scandal sweeping the country.

The Italian currency finished at 960.00 per Deutsche mark, from 953.75 late Thursday, making a nearly 30-lira fall for the week.

"Political pressure is driving the yen higher," said Marc Chaudier, senior market strategist at IDEA, a consulting firm.

In other trading, the dollar gained against the Deutsche mark amid signs that German inflation is ebbing. The Bundesbank said Germany's M-3 money supply contracted 2.3 percent from a fourth-quarter 1992 base, but cautioned that the number was distorted because money-supply growth was so strong in the base period.

Foreign Exchange "To manipulate currency rates in a certain direction is a wrong course," he said.

His deputy, the vice minister of finance for international affairs, Tadao Chino, is currently in Washington where he is expected to hold talks with Treasury officials this week.

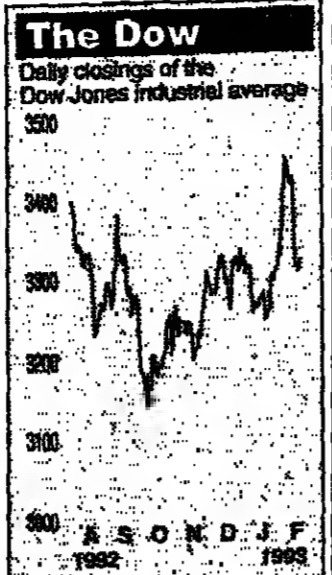
Mr. Hayashi dismissed reports that a stronger yen would be supported by finance ministers and central bank governors of the G-7 outdoors at talks in London next week. "It is nothing but speculation," he said.

But he added: "We will continue to watch carefully and make close contacts with each nation." The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

Dealers said that because Japan's trade surpluses were still growing, speculation about political coordination to guide the yen higher would not disappear easily.

"Political pressure is driving the yen higher," said Marc Chaudier.

The Dow



Vol. High Low Last Chg.

Table with columns: Vol., High, Low, Last, Chg. for various NYSE Most Active stocks.

NYSE Most Active

Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active stocks.

NYSE Diary

Table with columns: Class, Prev. for NYSE Diary.

NASDAQ Diary

Table with columns: Class, Prev. for NASDAQ Diary.

Amex Diary

Table with columns: Class, Prev. for Amex Diary.

NASDAQ Diary

Table with columns: Class, Prev. for NASDAQ Diary.

Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. for Dow Jones Averages.

Standard & Poor's Indexes

Table with columns: High, Low, Close, Chg. for Standard & Poor's Indexes.

NYSE Indexes

Table with columns: High, Low, Close, Chg. for NYSE Indexes.

NASDAQ Indexes

Table with columns: High, Low, Close, Chg. for NASDAQ Indexes.

AMEX Stock Index

Table with columns: High, Low, Close, Chg. for AMEX Stock Index.

Dow Jones Bond Averages

Table with columns: Class, Chg. for Dow Jones Bond Averages.

Market Sales

Table with columns: NYSE 4 p.m. volume, Amex 4 p.m. volume, NASDAQ 4 p.m. volume.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, Short for N.Y.S.E. Odd-Lot Trading.

S&P 100 Index Options

Table with columns: Strike, Call, Put, Feb 18 for S&P 100 Index Options.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close for EUROPEAN FUTURES.

Food

Table with columns: High, Low, Prev. Close for Food.

Metals

Table with columns: High, Low, Prev. Close for Metals.

Stock Indexes

Table with columns: High, Low, Prev. Close for Stock Indexes.

Spot Commodities

Table with columns: Commodity, Today, Prev. for Spot Commodities.

Dividends

Table with columns: Company, Per Annum, Div. for Dividends.

Financial

Table with columns: High, Low, Close, Change for Financial.

U.S. FUTURES

Table with columns: Season, High, Low, Open, High, Low, Close, Chg. for U.S. FUTURES.

Grains

Table with columns: High, Low, Open, High, Low, Close, Chg. for Grains.

Metals

Table with columns: High, Low, Open, High, Low, Close, Chg. for Metals.

Livestock

Table with columns: High, Low, Open, High, Low, Close, Chg. for Livestock.

Financial

Table with columns: High, Low, Open, High, Low, Close, Chg. for Financial.

Food

Table with columns: High, Low, Open, High, Low, Close, Chg. for Food.

Stock Indexes

Table with columns: High, Low, Open, High, Low, Close, Chg. for Stock Indexes.

Commodity Indexes

Table with columns: Commodity, Today, Prev. for Commodity Indexes.

WORLD STOCK MARKETS

Agency France Press Feb. 19

Large table of World Stock Markets with columns for various markets (Amsterdam, Helsinki, Paris, Sydney, Tokyo, etc.) and their respective stock indices.

BUNDESBANK: M-3 Slows

(Continued from first finance page) in January's money supply, a spokesman for the Bundesbank said, was a "reversal of extraordinary factors" that had exacerbated money supply growth in the fourth quarter of 1992, the base for the percentage comparison.

Domestic nonbank institutions, big players in recent currency intervention, transferred 26 billion Deutsche marks (\$15.7 billion) in the month, for example. The amount of cash in circulation in January also fell a sharp 8 billion DM to 92.5 billion DM, which is most likely related to a tax on domestic interest income that went into effect at the beginning of the year, the Bundesbank said.

M-3 includes cash in circulation, sight deposits, time deposits under four years and most savings accounts.

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U.S. / AT THE CLOSE

Court Allows Purchase of N.Y. Post

NEW YORK (AP) — A bankruptcy judge approved Friday the sale of the New York Post to a buyer whose bill-collecting company is under fire from federal authorities because of alleged fraud.

Steven Hoffenberg's own must sell the sale to the federal judge handling the Securities and Exchange Commission case against his company, Towers Financial Corp.

No date for that hearing has been set, but U.S. District Court Judge Whitman Knapp has said that he views such a sale favorably as long as Mr. Hoffenberg's other assets are not moved to the Post.

McDonnell/Pratt Team in Taiwan

TAIPEI (Bloomberg) — McDonnell Douglas Corp. and United Technologies Inc. said Friday they had sent teams of senior executives to Taiwan to help restore the public's confidence in the MD-11 airliner after the plane was grounded indefinitely by Taiwan's China Airlines.

The airline's MD-11s are powered by three PW-4000 turbofans made by United Technologies' Pratt & Whitney unit. During their visit, the two teams plan to provide details about the problems.

China Airlines decided to ground the plane after public outcry grew in response to five engine-damaging compressor surges since last November, as well as four other incidents involving circuit-breaker malfunctions and turbulence.

Pratt said it has already devised modifications to prevent the surges, and installed them on the China Airlines MD-11s.

GM Offers New Plan on Cutbacks

DETROIT (AP) — General Motors Corp. offered Friday some white-collar employees paid leave followed by mandatory department as GM tried to trim its work force and dramatically cut costs.

Salvaged workers who have been with the company for at least a year will be eligible for fully paid leave of six to 15 months, depending on tenure. After that, they must quit.

GM officials hope the plan, plus attrition, will reduce the white-collar work force by another 8,000, to 71,000 people, by the end of the year. GM officials did not immediately know how many workers would be eligible for the new plan.

Lilly Confirms Government Inquiry

INDIANAPOLIS (AP) — A federal grand jury is investigating whether Eli Lilly & Co. is complying with government rules covering the company's drug-manufacturing operations, Lilly said Friday.

The company said in a statement that it believed the inquiry stemmed from an agreement Lilly signed with the Food and Drug Administration in 1989 to improve quality control systems.

Lilly said that the government had not questioned the safety or effectiveness of any of its drugs.

Prince to Keep 9.99% of Citicorp

WASHINGTON (Reuters) — Prince Waleed bin Talal of Saudi Arabia, the largest single stockholder of Citicorp, said Friday that he intended to sell over the next three months part of his stake in the banking giant so that his ownership remained at 9.99 percent of the common stock outstanding.

In a filing with the Securities and Exchange Commission, the prince said that based on the number of Citicorp common shares outstanding as of Jan. 31, it was estimated that he would sell from 9.2 million to 12.8 million shares.

Oxy Gets \$560 Million From Stock

LOS ANGELES (Reuters) — Occidental Petroleum Corp. said Friday that it had privately placed 11.5 million shares of convertible convertible preferred stock and received in exchange \$565 million, which it will use to pay off long-term debt.

The preferred stock has a liquidation preference of \$50 per share, plus accrued dividends, and is convertible after March 30 into common shares at an initial price of \$27.76 per share.

Arabic text at the bottom of the page.

Sweden May Boost Support for Krona

Compiled by Our Staff From Dispatches
STOCKHOLM — Sweden's central bank said Friday it might buy more kronor than it had previously pledged in order to better support the currency.

The Riksbank already has said it would sell a large part of more than 50 billion kronor (\$6.6 billion) in foreign-currency borrowings to buy kronor, noted Eva Srejber, head of the Riksbank's monetary and currency policy section.

In a written comment to the financial daily Dagens Industri, she said that "in addition, there could be further sums as part of programs that have not yet been decided."

Ms. Srejber also said the Riksbank had supported the krona on the open market for a total of 7.5 billion kronor so far this year. She characterized this amount as small in relation to total foreign-currency borrowing plans, set at 52 billion kronor for the first quarter of 1993.

The krona strengthened to 4.6120 against the Deutsche mark

in Stockholm trading from early lows around 4.67. The Riksbank confirmed that it bought kronor during the morning after the currency touched its lowest level against the mark since the krona was floated last Nov. 19.

Nils Lundgren, chief economist of Nordbanken, said the krona's weakness was a result of companies and individuals in Sweden buying back foreign loans.

In London, meanwhile, the Central Bank of Ireland said it was lowering its key short-term facility rate to 13.0 percent from 13.75 percent, effective Monday.

The Irish punt was devalued by 10 percent against all other currencies in the European exchange-rate mechanism on Jan. 30, following months of speculative selling of the currency. The facility rate had been suspended between Nov. 23 last year and Feb. 5 this year, to deter selling of the punt.

(Reuters, AFX, Bloomberg)

Is What's Good for Fiat Good for Milan?

Bloomberg Business News
MILAN — Shares in Fiat SpA have surged 20 percent in the past week, leaving analysts puzzled and raising fears that the Milan bourse's image may suffer as a result.

"It doesn't do its reputation much good," said William Cowan, an analyst at James Capel & Co. in London. "It'll make people wary of the market, even if the Milanese are rejoicing."

From a closing price of 4,520 lire (\$2.90) on Feb. 11, Fiat ordinary shares surged 19 percent to close at 5,385 lire Thursday. On Friday, the shares stalled, closing at 5,360 lire.

On some days this week, Fiat ordinary and savings shares accounted for almost a quarter of the entire market's turnover. Fiat's surge spread to other companies controlled by the Agnelli family, which together account for 12 percent of the Milan market's capitalization.

Fiat was boosted by rumors that the company was in talks with outside concerns about taking a stake. The rumored partners included PSA Peugeot Citroën SA, Toyota Motor Co., or Deutsche Bank AG; the German bank already has a 2.6 percent stake.

Fiat has repeatedly denied the rumors, yet the shares kept rising. New rumors erupted: the Agnelli family itself was buying up

shares; Fiat was about to hold a press conference; Fiat was about to sell off some divisions. Each new rumor was denied.

All this worries market analysts. "If there is something to these stories, then there is clearly insider trading going on, which will create a scandal," said a trader at Alberini & Co. "If there isn't any news, then the problem is that you have a market where just about the

1992 was not as bad as most had feared. In addition, he said, some recent research reports, notably one from CS First Boston released Wednesday, said the company could now be set for a rebound because of a slew of new models, lower wage costs and a devalued lira.

The improved outlook for Fiat encouraged foreign funds to buy the stock, which excited local speculators who see the arrival of any foreign buyers as a sign that a flood of money is about to descend, Mr. Digrandi said.

Then came the rumors, "and no one completely believed the denials," he said.

Capel's Mr. Cowan, however, said the fundamental reasons for buying Fiat were slim. "Even the First Boston report, which is the most optimistic, doesn't expect Fiat to get to even half its 1989 earnings until 1996," he said. "That's not wildly encouraging."

One reason Fiat shares have not declined with each denial, analysts said, is that market players in Milan often do not believe Italian companies, which generally divulge much less information than those in France or Britain.

Another reason, they said, is that insider trading is rife. Speculators took each wave of buying as confirmation that something was happening.

'If there isn't any news, then you have a market where a blue chip rises 20 percent just on rumors.'

biggest blue chip rises 20 percent just on rumors," the trader said. "How do you tell people to invest in a market like that?"

Some analysts said Fiat's rise was not that strange. "It's a composite effect of many things," said Carlo Digrandi, an analyst at Nomura Research in Milan. He said Fiat's annual letter to shareholders, issued on Jan. 28, indicated the group's decline in profits in

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	1992	1993
1800	2800	2400	1992	1993
1700	2700	2300	1992	1993
1600	2600	2200	1992	1993
1500	2500	2100	1992	1993
1400	2400	2000	1992	1993
1300	2300	1900	1992	1993
1200	2200	1800	1992	1993
1100	2100	1700	1992	1993
1000	2000	1600	1992	1993
900	1900	1500	1992	1993
800	1800	1400	1992	1993
700	1700	1300	1992	1993
600	1600	1200	1992	1993
500	1500	1100	1992	1993
400	1400	1000	1992	1993
300	1300	900	1992	1993
200	1200	800	1992	1993
100	1100	700	1992	1993
0	1000	600	1992	1993
Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBG Tindex	69.70	69.00	+0.71
Brussels	Stoxx Index	5,953.89	5,961.10	-0.11
Frankfurt	DAX	1,677.39	1,672.26	+0.31
Frankfurt	FAZ	697.78	694.67	+0.48
Holland	HEX	624.96	614.95	+1.16
London	Financial Times 100	2,808.80	2,197.20	+0.16
London	FTSE 100	2,840.00	2,837.70	+0.08
Munich	German Index	299.20	298.50	-0.13
Milan	ISEQ	4,111.00	4,120.00	-0.80
Paris	CAC 40	1,967.17	1,826.52	+0.55
Stockholm	Akerswärd	1,163.31	1,145.81	+1.53
Vienne	Stock Index	371.94	370.78	+0.31
Zurich	SBS	716.00	718.70	-0.51

Sources: Reuters, AFP
International Herald Tribune

Charity for DAF Begins at Home
Reuters
AMSTERDAM — From Prime Minister Ruud Lubbers to school children, the Dutch dug deep into their own pockets on Friday to raise money for the truckmaker DAF NV.

While banks hesitate over a rescue package, the public pledged more than 7 million guilders (\$3.6 million) to help build a new DAF from the ruins of the old company, which had to file for protection from creditors two weeks ago.

EC Abandons Bid to Develop an HDTV Standard

By Richard W. Stevenson
New York Times Service
LONDON — The European Community will abandon development of its technology for a new generation of television sets, bowing to the reality that more advanced systems under consideration in the United States will almost certainly become the worldwide standard.

In recommending on Thursday that the Community drop its plan to impose a European-developed high-definition system on broadcasters and program producers later in the decade, Martin Bangemann, the Community's industry and technology commissioner, acknowledged that there was no point

in supporting a technology that had already been overtaken in the race to provide super-sharp television pictures.

European officials said they were not conceding to the United States the right to dictate a worldwide standard. But they said they believed that some form of the technology being tested in the United States by the Federal Communications Commission would become the global norm.

The systems being studied by the FCC are all based on digital technology, in which broadcast signals are broken down into the 0s and 1s of computer language. The United States is expected to choose a standard from among a number of competing digital formats within the next year.

official who spoke on the condition of anonymity. "A global standard is the best way of course. If you have a European norm only, you can protect your own market, but you can't get access to others."

Japan, too, has recognized that its analog system may not be able to compete worldwide. NHK, the Japanese broadcasting company, last week pulled its analog technology out of the FCC's competition in the United States.

The European Community had made developing a high-definition television system a centerpiece of its industrial policy. It pumped an estimated \$1 billion of public funds into the effort.

in developing high-definition television, one of the most hotly contested new technologies of this decade, Europe and Japan both initially concentrated on the current analog, or wave, broadcasting systems, believing that digital systems were years away.

But rapid advances in digital technology, primarily in the United States, have led broadcasters and electronics companies in Europe to oppose the adoption of an analog standard. Britain has for several months blocked an EC plan to spend a further \$600 million on the European technology, saying the money would be wasted since the system would not be commercially viable.

"We're not saying that whatever the U.S. does, Europe will adopt," said one European

- Very briefly:**
- The British Treasury's team of independent economic advisers said in their first report that that they were unsure if interest rates were low enough; the team, appointed at the end of last year, also said that there should be no explicit target for the pound's exchange rate and that Britain should not return early to the exchange-rate mechanism.
 - East German engineering unions moved closer to confrontation when talks on employers' attempts to cancel a previously agreed wage increase broke down in two states following failed talks in two other states earlier this week.
 - The German Automobile Industry Association said new car registrations fell 27.5 percent in January from a year ago, to 238,246 vehicles, and warned that sales were expected to shrink by up to 20 percent this year due to a slowing economy.
 - Pierson Holding & Pierson and Bank Mees & Hope, two Dutch banks owned by ABN-AMRO Holding NV, said that they would slash one-fifth of their combined work force over three years as part of a merger plan announced in November.
 - Lloyd's of London said it would cut its staff to 1,900 from 2,200 by the end of February and to 1,600 by the end of 1993.
 - TAP, the Portuguese airline, said it would phase out Air Atlantis SA, its charter subsidiary, as part of a program to cut heavy losses.
 - Volkswagen AG said it was likely to extend its schedule of shortened working hours into the second quarter of 1993. The company's main plant in Wolfsburg has scheduled 14 days of shortened work in the first quarter of the year.
 - United Biscuits Holdings PLC said it may sell Terry's of York, a subsidiary specializing in chocolate; analysts said the company was probably worth between £170 million (\$245 million) and £200 million.
 - Treubhandstat, the agency charged with selling off East German industry, said it would remain active until at least the end of 1994.
 - RWE AG, the German energy concern, posted net profit of 395 million Deutsche marks (\$239 million) in the first half of 1992, hardly changed from 398 million DM last year; the company said it expected to maintain sales, profit and the dividend for the full year.
 - DG Bank of Germany said operating profit in 1992 jumped to 340 million DM from 94 million DM and the bank attributed much of the rise to restructuring.
- Reuters, Bloomberg, AFX

EFFECTS: Business Split Over Clinton Tax Proposals

(Continued from first finance page)
 from the Clinton plan. "We've had three projects in the \$100 million range that have been put on the back burner in the last few months and I can think of at least one where these tax incentives will make a difference," he said.

Mr. Gilbane manages big construction projects like the new international terminal at Chicago's O'Hare airport, using subcontractors to provide most of the manual labor. More recently, however, the company has made a push into highway, bridge and pollution control facilities construction — exactly the areas targeted by Mr. Clinton for additional funding.

As a result, Mr. Gilbane expects the company to grow 15 percent to 20 percent this year, adding "signifi-

cantly" to his 900 permanent employees.

Many economists look to the drug industry to be one of the engines of growth in the future, but at Eli Lilly & Co., executives were still smarting from Mr. Clinton's criticism of their prices and were unimpressed with the details of his economic plan.

W. Leigh Thompson, the company's chief scientific officer, said higher energy and income taxes, and the proposed elimination of a special tax break for its manufacturing facility in Puerto Rico, would put the company in a bind.

In the current political environment, he said, it was impossible to pass along higher costs in the form of higher drug prices.

Another company that prides itself on its research and development is Nike Inc., the Oregon shoe-maker, which claims to spend more than all of its competitors combined. But its president, Richard Donabue, said that that effort would be unaffected by higher taxes on profit, which he expects will simply be passed along to consumers in the form of higher prices.

ic lows, traders and analysts questioned the wisdom of selling less long-term debt.

"The Treasury makes every effort to sell its debt in the least costly, most efficient way," said Richard M. Kelly, chairman and chief executive of Aubrey G. Landon & Co., a primary dealer in government securities. "But given their huge borrowing needs currently and prospectively, it makes no sense to be cutting back in any maturity area."

Questions about the administra-

DEBT: Interest Saving Plan Puzzles Treasury Market

(Continued from first finance page)
 tion's projections and tactics grew Thursday after Treasury Secretary Lloyd Bentsen said that although the Treasury was studying the matter, there would be no "radical change" in the mix of Treasury securities to be sold.

"I had been assuming that a major reduction in the amount of bonds to be sold was virtually assured," said Louis Crandall, chief economist at R.H. Wrightson & Associates, a Wall Street economic consulting firm. "But Secretary Bentsen's muddled the waters all over again."

In fact, Mr. Bentsen's comments

seemed consistent with what the Treasury said and did late last month, when it announced the quarterly refunding auctions held in early February. At that time, the Treasury cut the amount of 30-year bonds sold to \$9 billion from \$10 billion.

However, the estimated interest savings released late Wednesday were not produced by the Treasury Department, but by White House budget director Leon Panetta's Office of Management and Budget.

Currently, the government sells about \$20 billion of three-month and six-month bills each week.

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ANNOUNCEMENT

INVESTMENT OPPORTUNITY WHITE GOODS PLANT

The Engineering Industries Holding Company owned by the Government of Egypt, and its affiliate El Nasr Company for Electrical and Electronic apparatus announce the proposed divestiture of the White Goods Plant.

The White Goods Plant, a new plant, produces refrigerators, washing machines (white goods) under the Philips brand. The Plant primarily does assembly using imported Philips components to produce high quality appliances. The plant has the option of using the Philips name alone of Philips/Whirlpool until 1997.

Attractive features of the acquisition opportunity are:

- Plant buildings occupy approximately 40 percent of the facility's 110472 square meters of land
- Book value of assets are 42.7 million Egyptian Pounds.
- The Plant has skilled and experienced production management and staff.
- There is a transferable tax holiday until 2001.

Parties interested in this unique opportunity may obtain the necessary information describing the Plant from the Financial Agent named below.

Mr. Ismail Hassan Mohamed
 Bank of Alexandria
 49 Kasr El Nil Street
 Cairo, Egypt
 Telephone: (202) 3919686.

Closing date 12:00 o'clock noon Wednesday 31-03-1993.

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NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Last Day Dy Yd PE Ratio High Low Last Day Dy Yd PE Ratio

Table with multiple columns for stock prices, including symbols, prices, and ratios. Headers include '12 Month High Low Last Day' and 'Dy Yd PE Ratio'.

12 Month High Low Last Day Dy Yd PE Ratio High Low Last Day Dy Yd PE Ratio

Table with multiple columns for stock prices, including symbols, prices, and ratios. Headers include '12 Month High Low Last Day' and 'Dy Yd PE Ratio'.

12 Month High Low Last Day Dy Yd PE Ratio High Low Last Day Dy Yd PE Ratio

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(Continued on next page)

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Thai Central Bank Reassures Markets by Buoying First City

BANGKOK — The Bank of Thailand moved Friday to reassure local markets by orchestrating a government bailout of First City Investment Co., a finance company that collapsed earlier this week.

The central bank will take a 27 percent stake in First City through its Fund for Rehabilitation and Development of Financial Institutions, Governor Viji Sornkit said. Also, the state-controlled Industrial Finance Corp. of Thailand will take a 10 percent stake and gain management control, Mr. Viji said.

First City also will receive a soft loan from the central bank to repay deposits on promissory notes, Mr. Viji said.

The finance company triggered a stock market tumble on Monday when it told authorities it could not repay its debts. First City had faced a steady run on its deposits since

November, when the authorities launched a crackdown on share manipulation.

The Stock Exchange of Thailand index, which fell nearly 2 percent in the first hour of trading Friday, recovered to close 1.37 points higher at 962.80. The index was still down 3.6 percent this week.

Brokers said investors were reassured by the central bank's action. "Morale improved and investors tried to buy fundamental stocks," said Chuchaval Thanvarachon, vice-president of securities at Thai Fuji Finance and Securities.

Others were still bearish. A broker at Union Securities said she felt the market would remain skittish for at least a month "unless the government or the Bank of Thailand says it will help the market, which would be very silly."

The market also has been hit by rumors that several other finance companies were facing runs from

Hong Kong Airport Head Ousted

Government Says Work on Project Won't Be Slowed

HONG KONG — Local politicians were concerned Friday by the surprise replacement of the head of Hong Kong's Provisional Airport Authority, and demanded that the government explain why Richard Allen was replaced by Henry Townsend.

But a government spokesman said the management change, which was announced Thursday night, would not slow work on the colony's controversial \$2.25 billion new airport.

One Legislative Council member said he intended to ask the government for an explanation of its action. "We know that the airport core program is working to a very tight schedule," said Leong Cheung, the council member. "How much will this hold up the whole thing?"

China has been trying to block the airport, one of the world's biggest infrastructure projects, arguing that it is too expensive and will saddle Beijing with debt after Hong Kong's 1997 transition to Chinese sovereignty.

The project includes roads, railways, bridges and a tunnel as well as a new airport.

In the last five months, hopes for a breakthrough have been frustrated by the Chinese-British dispute over political reform in the territory. But

Investor's Asia				
Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong Hang Seng		6,778.09	6,188.94	-0.27
Singapore Straits Times		1,889.04	1,832.13	+0.42
Sydney All Ordinaries		1,594.70	1,607.30	-0.78
Tokyo Nikkei 225		17,819.65	16,982.14	+0.16
Kuala Lumpur Composite		629.43	623.11	+1.01
Bangkok SET		862.80	961.43	+0.14
Seoul Composite Stock		694.52	653.91	+0.09
Taipei Weighted Price		3,912.67	3,961.50	-1.23
Manila Composite		1,473.24	1,458.26	+1.98
Jakarta Stock Index		309.44	301.92	-0.49
New Zealand NZSE-40		1,572.53	1,590.93	-1.16
Bombay National Index		Closed	1,201.60	

Sources: Reuters, AFP International Herald Tribune

Pioneer Net Plummet

TOKYO — Pioneer Electronic Corp. said Friday its group net profit had plunged nearly 61 percent in the last three months of 1992. Sluggish domestic sales and a strong yen depressed profit in the financial third quarter to 4.91 billion yen (\$41.2 million), after 12.52 billion yen a year earlier, it said. Pioneer's global revenue was down 9.6 percent, at 167 billion yen, mainly depressed by lower sales in Japan.

The audio maker, which shocked Japan with its plan to force 35 managers to retire early, also said it would cut the salaries of 25 executives by up to 20 percent because of its poor performance.

Pioneer also cut its forecast for net profit in the year that ends March 31 to 16.3 billion yen, from a November forecast of 21.8 billion yen. Managing Director Masaaki Sono said. Pioneer had net profit of 17.81 billion yen the previous financial year.

"Looking ahead," the company said, "we will continue to encounter a difficult operating environment caused by economic uncertainty worldwide, unstable exchange rates and intensifying competition in our major markets."

Separately, Akai Electric Co. announced a loss of 554 million yen for its financial year, which ended Nov. 30, compared with a profit of 1.7 billion yen the year earlier.

Scramble for Stock Hurts Hong Kong

HONG KONG — The head of the future Hong Kong Monetary Authority says the enormous demand for several recent initial public offers of stock is hurting Hong Kong's status as an international financial center.

"We have people saying that this sort of thing only happens in Hong Kong, that it is Mickey Mouse, and that is damaging to our credibility as a financial center," said Joseph Yam, chief executive-designate of the agency, in an interview.

The authority, which is expected to be in full operation in April, will act as Hong Kong's quasi-central bank, though it will be answerable to the colony's government.

Mr. Yam's comments follow the record 657-times oversubscription for an offer by a China-controlled automobile company, Denway Investment, last week, and the subsequent opening of an inquiry by Mr. Yam and other senior government officials into the possible risks oversubscription poses to the banking system.

The Denway flotation attracted 240 billion Hong Kong dollars (\$31 billion) worth of funds from applicants — about four times the value of the banknotes in circulation in the colony — for just 362 million dollars in shares available for public subscription.

The sum was a record for a share offer. The demand for funds created by the offering pushed interbank interest rates up briefly and forced the Office of the Exchange Fund, which is the precursor to the Monetary Authority, to inject funds into the money markets.

Mr. Yam said that such an oversubscription in the United States could lead the issuer to sue the underwriters for not pricing correctly.

Mr. Yam said the investigation into the potential impact on the banking system was focusing on what might happen if one of the parties involved in an issue went bankrupt.

Mr. Yam also said the monetary authority intended for the first time to invest part of Hong Kong's huge Exchange Fund reserves in equities. But it would be the U.S. stock market rather than the Hong Kong exchange that would receive money from the fund, which is kept as a war chest to defend the stability of the Hong Kong dollar.

"We are thinking in terms of going into U.S. equities but possibly on a passive basis to start — with an index-fund type of management," said Mr. Yam.

Last July, the Hong Kong government said the Exchange Fund had 236.1 billion dollars in assets at the end of 1991.

Very briefly:

- The Australian government and trade union leaders agreed to tie increased wage and pension benefits over the next three years to a target of creating 500,000 new jobs.
- Toyota Motor Corp. said it would issue \$1.5 billion worth of five-year bonds on the Euro market next week, adding that the issue would be the largest Eurobond float by a private company. The Eurobonds will pay for redemption of bonds with worthless warrants issued by Toyota in 1989.
- Taiwan growth in gross national product terms slowed to 6.06 percent last year, from 7.24 percent in 1991, as the weakness of the global economy hurt the island's export boom.
- Sony Corp., battered by poor sales in audio and video equipment, has shifted some 100 clerical workers to its sales section and is cutting back on hiring, a company official said.
- John Fairfax Holdings Ltd. posted a net profit of 36 million Australian dollars (\$24.7 million) for the six months ended Dec. 31. No comparable figures were available for the year-earlier period, when Fairfax was in the hands of receivers.
- Japan's money supply continued to shrink in January for the fifth consecutive month but its recent declining trend appeared to have hit bottom, economists said.
- NKK Corp., the Japanese steelmaker, signed an agreement with Taiwan's Macronix International Co. to jointly develop an advanced 16-megabit flash memory chip for electronics products.
- Asahi Breweries Ltd. reported a fall of 19.57 percent in current profit to 14,034 billion yen (\$110 million) for 1992.
- Fuji Xerox Co. said it had signed a contract with Apple Computer Inc. to supply its smaller laser printers on an original-equipment-manufacturer basis to expand its printer business. Fuji Xerox Film Co. and Xerox Corp. each hold 50 percent stakes in Fuji Xerox.
- NSK Ltd. of Japan will supply South Korea's top automakers with air bags, a company spokesman said; the purchasers include Daewoo Motor Co. and Hyundai Motor Co.
- Singapore Press Holdings said it was scouring the world for journalistic talent to position itself to build an Asian news network that would eventually reduce its reliance on news agencies.

Bloomberg, Reuters, AFP, AFX, AP

Honda Profit Weakens

TOKYO — Honda Motor Co. said Friday its group pretax earnings had dropped 16.9 percent in the third quarter, to 18.2 billion yen (\$146 million), as sales declined in virtually all markets except Asia.

The company announced an even sharper decline in net profit in the three months ended Dec. 31, although operating earnings were up slightly.

Worldwide sales fell 6.7 percent to 976 billion yen, depressed by sharply lower car sales that offset increased sales of motorcycles and other products.

Car revenue fell 10.1 percent to 785 billion yen, while volume was down 6.9 percent to 435,000 units.

But analysts said cost-cutting measures and a stronger U.S. market would boost the company's earnings in the year ahead.

Westpac's New Executive Wants 'Get It Right'

SYDNEY — Bob Joss, the new chief executive of Westpac Banking Corp., said in his first public appearance Friday that he planned to turn the ailing bank into the best-managed financial institution in Australia.

"We'll be moving fast," he said. "Time is of the essence. We have a great deal of urgency about getting it right."

But Mr. Joss was short on details about his strategy after only five days on the job, and he declined to say if the bank would show a first-half profit following a loss in 1992 of 1.56 billion Australian dollars (\$1.07 billion).

He also declined to discuss the fate of the bank's dividend, which was halved last year.

Mr. Joss, 51, is a former executive of Wells Fargo & Co. who was recruited by the Westpac board after a calamitous year that soured its public reputation along with its earnings. He replaced Frank Conroy, who abruptly quit in December following a reported dispute with Kerry Packer, the bank's second-largest shareholder, over the pace and extent of restructuring.

Mr. Joss said that he would be interested in the views of Mr. Packer, who resigned last month after only one week on the board in a dispute over the restructuring plan.

"Mr. Packer is a big shareholder

and big shareholders are important to me," Mr. Joss said. "I'm a shareholder-oriented person and I want to get shareholders' views about how they think we can enhance the value of the firm."

Westpac shares have been creeping higher since Mr. Joss was appointed, after hitting a low of 2.49 dollars in early November. The stock closed at 3.22 dollars on Friday, compared with 4.02 dollars a year ago.

NYSE Friday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	100s	High	Low	100s	High	Low	100s
110	100	AAOI		10	20	100	110	100	100	110	100	110	110	100	100
110	100	AAOI		10	20	100	110	100	100	110	100	110	110	100	100
110	100	AAOI		10	20	100	110	100	100	110	100	110	110	100	100
110	100	AAOI		10	20	100	110	100	100	110	100	110	110	100	100

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	100s	High	Low	100s
110	100	AAOI		10	20	100	110	100	100	110	100	110
110	100	AAOI		10	20	100	110	100	100	110	100	110
110	100	AAOI		10	20	100	110	100	100	110	100	110
110	100	AAOI		10	20	100	110	100	100	110	100	110

Catch the money

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601,985 guaranteed winners out of only 1,5 million tickets sold. — Incredible odds. More than every third ticket is a sure winner. Our total Payout is more than

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US \$ and € prices are subject the rate of exchange. Prices are for the full period of 6 month incl. airmail postage and monthly list of winners. No additional charges!

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Country _____

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Expiry Date: _____
Date _____ Signature of cardholder _____

TAX: Clinton's Higher Levy Could Encourage Debt and Hurt Investment

(Continued from first finance page) evading the tax man, along with plenty of make-work for tax lawyers.

What is more worrisome to economists is that in a global economy populated by huge multinational corporations, raising corporate tax rates could actually reduce the Treasury's take by encouraging companies to report less income here and more in tax-friendlier nations.

"The lower the rate," Mr. Slemrod said, "the greater incentives multinationals have to report income in the United States."

Still, the proposed increase would push the United States rate up only to 42.3 percent from 40 (including 6.5 percent of state and

local taxes). That is higher than Britain's 33 percent rate but still comfortably below Germany's 45.5 percent and Japan's 51 percent.

The corporate tax also encourages debt financing, an inclination that got lots of companies in hot water when the 1980s economic boom abruptly ended. That is because the corporate tax is a double whammy. The IRS peels off 34 cents of a dollar earned by a company and if the remaining 66 cents is paid out in dividends, Washington collects another 20 cents (31 percent of 66 cents) from shareholders. Since interest is deductible, the company can avoid the second whack by borrowing to pay for its new plant rather than selling stock to shareholders.

The biggest worry is that higher corporate taxes will raise the cost of capital to corporations and therefore discourage investment in new equipment and plants that would help the growth of productivity and living standards.

A higher rate would indeed make capital more costly for the following reason: Say investors demand a return of 8 percent. If the corporate tax is 34 cents for a dollar of profit, a company has to earn 12.1 cents for every dollar invested to pay them the return they want. With a higher 36 percent rate, they would have to earn 12.5 cents, roughly 3 percent more.

If President Clinton simply raised the corporate income tax and did not change the investment

tax credit or depreciation rules," said Mr. Poterba at MIT, "that would raise the cost of capital and discourage investment."

In fact, though, the Clinton administration also wants to revive investment breaks that were done away with in the 1986 tax reform. It is proposing a two-year, 7 percent investment tax credit for big businesses and a permanent one for small companies, which would decline from 7 percent to 5 percent after two years. The credits would apply only to investments above and beyond some base amount.

The Treasury estimates that the credits would cost about \$28.9 billion a year over the next five years, a bit less than the \$30.6 billion the rate increase is expected to bring in.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld %	PE	18B	High	Low	Latest	Chg
12.00	11.50	AAVE					12.00	11.50	11.75	0.25
11.00	10.50	AAIC					11.00	10.50	10.75	0.25
10.00	9.50	AAOI					10.00	9.50	9.75	0.25
9.00	8.50	AAON					9.00	8.50	8.75	0.25
8.00	7.50	AAOI					8.00	7.50	7.75	0.25
7.00	6.50	AAOI					7.00	6.50	6.75	0.25
6.00	5.50	AAOI					6.00	5.50	5.75	0.25
5.00	4.50	AAOI					5.00	4.50	4.75	0.25
4.00	3.50	AAOI					4.00	3.50	3.75	0.25
3.00	2.50	AAOI					3.00	2.50	2.75	0.25
2.00	1.50	AAOI					2.00	1.50	1.75	0.25
1.00	0.50	AAOI					1.00	0.50	0.75	0.25
0.50	0.00	AAOI					0.50	0.00	0.25	0.25

AMEX

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld %	PE	18B	High	Low	Latest	Chg
12.00	11.50	AAVE					12.00	11.50	11.75	0.25
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0.50	0.00	AAOI					0.50	0.00	0.25	0.25

سكنا من الامل

REPORT

In Europe, the Year of the Bond

Expected Interest Rate Cuts Would Favor High Yielders

By Rupert Bruce

WITH a rare degree of consensus, bond pundits are forecasting that European markets will be second to none this year...

Italian rates and suggestions of a cut in Spanish rates. Robert Barrie, European economist at Barclays de Zoete Wedd in London...

There is also a resurrection of the old convergence argument, that the drive to monetary union will push interest rates down to the level of Germany's.

The markets that are predicted to outperform all others will, apparently, be the higher yielding ones because when rates start to fall they will have the furthest to go...

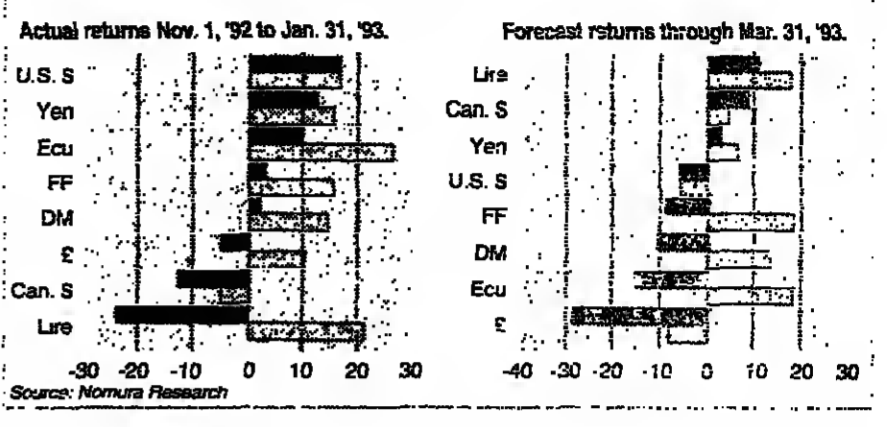
When this happens, the countries with the highest interest rates will be able to drop them fastest. Mr. Wooller added, because the threat that their currencies might be devalued will be reduced.

KEMPER'S favored markets are Ireland and Denmark. In both countries, Kemper believes that interest rates have been kept higher than is warranted by domestic economies...

This month, investors have been given a further spur into these markets by the cut in German short-term rates on Feb. 4, a cut in

Going On a Roll?

Annualized return on 10-year bonds. In U.S. dollar terms, in local currency.



Mr. Johns said: "U.S. dollar investors should be looking very carefully at investing in ooo-dollar bond markets, particularly Europe, because I think that 1993 will be a somewhat tricky year for the U.S. bond market..."

But hedging is expensive. Kevin Colglazer, a fund manager with Guinness Flight, said it might conceivably cost a fund its entire capital gain for this year...

Mr. Wooller believes another catch may lie in one of the financial markets' best-known maxims: that any consensus view is bound to be wrong.

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INTERNATIONAL FUNDS

Quotations supplied by funds listed. Not asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

Table listing various international funds such as ARC INVESTMENT SERVICES CO (SIC), BROADWAY INTERNATIONAL FUND, and others, with columns for fund name, share price, and other details.

Feb. 19, 1993

Table listing various other funds such as DPTMA FUND MANAGEMENT, LLOYD GEORGE INVESTMENT, and others, with columns for fund name, share price, and other details.

Leave yo in Dark

Fiscal Pain? Time to See Tax Doctor

So the sums didn't add up, and the news from President Clinton for the middle class U.S. taxpayer is worse than some people expected...

The circumstances of expatriates vary according to taxation, currencies, indemnity, etc. But the rule is still good: If ever there was a time to go see your tax lawyer or accountant, that moment is now.

M.B.

THE MONEY REPORT

Italian Market Between Scandal and Privatization

By Karina Robinson

THE Italian stock market has been having a tough time of it lately. Down more than 5 percent in just a few trading days, a succession of falls has mirrored the escalation of political scandal.

Following the resignation of Justice Minister Claudio Martelli, who is under investigation, the market was shaken by rumors that Prime Minister Giuliano Amato himself was about to be indicted.

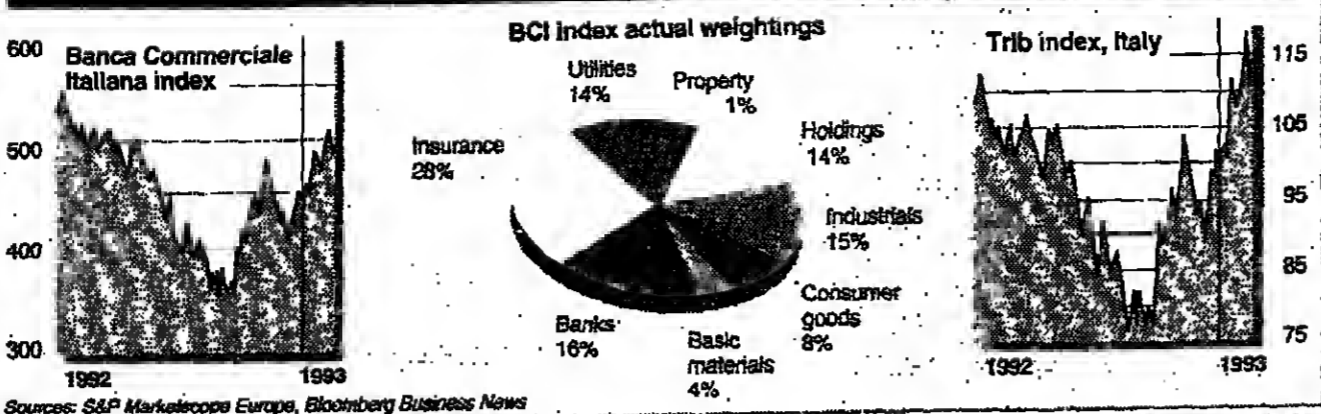
Francesco Schiavello, deputy head of equity investment at fund managers Romagest, is especially taken with privatization play BCI.

He sees a further 10 percent rise in the market to year-end. This is despite forecasts for gross domestic product growth of only 0.7 percent in 1993, rising to a mealy 1.7 percent in 1994.

Toggenpoli has not caused domestic Italian investors to despair, unlike their foreign counterparts. They see it as positive evidence that the door has been opened for renewal in politics.

The plan offers a choice of 18 funds covering a range of stocks, fixed interest and currency markets. The minimum payment is £100 (\$145) per month.

Domestic Investors See the Sunny Side



Sources: S&P MarketScope Europe, Bloomberg Business News

On this basis, privatization stocks are still interesting. These include telecommunications stocks SIP and Stet, food company SME and banks Banca Commerciale Italiana and Credito Italiano.

Generali, the largest insurance company in Italy, equals 13.4 percent of the stock market capitalization. Thus, any investor with confidence in the market's performance over 1993 is forced to buy Generali.

Other insurers have an allure because of an added speculative factor, La Sai is involved in vehicle insurance, which has not been as profitable as life insurance.

La Fondiaria is partly owned by the Ferruzzi family and recently deceased Camillo de Benedetti, a cousin of financier Carlo de Benedetti. His death means his compa-

ny's stake could well be sold to the highest bidder. Another insurer reportedly up for sale is Toro, the Fiat group's insurance company.

Which brings us to Fiat, the embodiment of the troubled Italian economy. The company expects a 15 percent fall in the car market this year, the largest decline since the 1975 oil crisis.

Tire and cables group Pirelli is one of the few companies that has managed to accomplish its plans. The company has raised 850 billion lire (\$552 million) in disposals, ranging from shoes to property.

To make up for problems on the vehicle side, Fiat is said to be interested in selling companies it considers nonstrategic, such as retail unit La Rinascente or chemicals

unit SNIA. The stock rose almost 8 percent in a single day's trading this month on the back of rumors that it was to sell SNIA.

The fact of the matter is that everything in Italy is up for sale because of the privatization program and industrial restructuring by troubled companies.

"We like the new management, which has been decisive in restructuring and selling off the diversified products division," Mr. Albanese said. "At current levels we think it is one of the best recovery plays in the industrial sector."

All in all, investing in the Italian stock market involves one of two scenarios. Either the government triumphs and the market rises, or the government falls, spelling the end of reform and privatization, and the market collapses. Take your pick.

Best Performing Mutual Funds

Leading mutual funds from Belgium, Britain, France, Germany, Ireland, Italy, Luxembourg, Offshore Territories, Switzerland and the United States. Value of \$100. Income reinvested excluding charges.

Over one month to Feb. 15, 1993

Table listing mutual funds and their performance over one month to Feb. 15, 1993. Funds include GT Sherzen and China, Thomson New Tiger China, Lexington Strategic Inv, Singapore Seadog Ltd, Mercury Gold & General, Tyndall-Gi China Pfl, Thomson New Tiger Thailand, Curran Alpha Health Care, Barclays Asst Thailand, United Savv Gold Shares, Daiwa Original France Bond, CIBC-CEF Pacific Ventures, CIBC-CEF Emerging Pac Mkts, Fidelity Fds Thailand, Sunbank Int'l Asia, Allianz Gold, CIBC-CEF Thai-Philippines.

Over one year to Feb. 15, 1993

Table listing mutual funds and their performance over one year to Feb. 15, 1993. Funds include Quantum Fund, Barclays ASIF S.E. Asia, SP International SA, Barclays ASIF Thailand, JF Thailand, Thomson New Tiger Thailand, JF Eastern Brnther Composite, Fidelity Fds Thailand, Fidelity Asia Hong Kong, Fidelity Select-Sav/Low, Prev Capfor Thailand, Sham Fund (Dayman) Ltd, Thomson Philippines FocusFund, Sunbank Int'l Asia, Thailand Fund New, J Hancock Fidelity Ring Glob, J Hancock Freedom Ring Glob.

Over three years to Feb. 15, 1993

Table listing mutual funds and their performance over three years to Feb. 15, 1993. Funds include Quantum Fund, Mexican Investment Co, COM Capital Development, Genesis Chile, Garmonia Hong Kong, SP International SA, Schroders Asia Hong Kong, Mercury ST M American Opps, Thomson Hong Kong Growth, Fidelity Select-Sav/Low, Phoenix Fund, Colonial Securities Hong Kong, Fidelity Select-Global, Financial Strat-Fin Ser, J Hancock Spt Equities, Founders Discovery Fund, Franklin Health.

Sources: Micropal

Collecting Before It's Too Late

International Herald Tribune: You can't take any of it with you, why not take some of it now? That's the deal many terminal-ly ill owners of life insurance policies have been cutting with insurance companies.

More than 2.7 million Americans have opted for the coverage, roughly double the number of a year ago, according to the American Council of Life Insurance. About 150 insurers, including most large U.S. companies, offer living benefits, often without an additional premium.

Regulators are watching these companies closely. Last month, California became the first state in the country to issue licensing procedures for viatical.

Some pay benefits only to the terminally ill. Others offer payouts to victims of strokes, heart attacks and other catastrophic illnesses.

BRIEF CASE

Hill Samuel's Offshore Unit Offers Regular Savings Plan

Hill Samuel Jersey, Ltd., the offshore fund and financial management arm of the eponymous U.K. merchant bank, has launched a regular savings plan aimed at international investors.

The plan offers a choice of 18 funds covering a range of stocks, fixed interest and currency markets. The minimum payment is £100 (\$145) per month.

That Expensive Tuscany Villa Has Become Slightly Less So

Foreigners seeking Italian property are finding that the recession and the lira's devaluation last fall have made prices, if not cheap, at least more reasonable.

Foreigners seeking Italian property are finding that the recession and the lira's devaluation last fall have made prices, if not cheap, at least more reasonable.

Switching between funds costs 1 percent, while other charges are similar to those levied on lump-sum investments.

Equity funds have a front-end charge of 5.5 percent, with an annual fee of 1.25 percent. Fixed interest and currency funds charge 3.5 percent initially and 0.875 percent annually.

Many of the regular savings arrangements available are far too restrictive and fail to recognize the need for flexibility.

Fidelity's Money Funds Get Moody's Top Risk Rating

Fidelity, the U.S. mutual fund giant, has received a top risk rating for its money funds from Moody's, the risk assessment specialist.

There is no minimum investment for the Fidelity money funds, and interest is paid gross to investors. There is also the possibility of switching money between different currency deposits for no charge.

The funds levy a charge of 1 percent, which is deducted from investors' returns at source.

Current interest rates, after charges, are 7.8 percent for German marks, 2.1 percent for U.S. dollars, 10.8 percent for French francs, 5.5 percent for British pounds, 2.4 percent for Japanese yen, and 9.3 percent for Ecu deposits.

Registered in Bermuda, the funds pay interest without deducting withholding tax. For more information, call Fidelity in Tonbridge Wells, England (44 732) 361 144.

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Semiconductor Stocks Emerge A Winner After PC Price War

By Courad de Aenlle

THE rally that has carried most stock averages to record highs has been especially kind to shareholders of semiconductor companies.

For all of 1992, Standard & Poor's semiconductor index rose 61 percent, one of the best showings by an S&P industry sector.

What got the industry going last summer was a price war in personal computers, sales of which determine the fate of the chip business more than any other product they are used in.

percent to 60 percent below a year earlier. That unleashed a boom in unit demand. An obvious beneficiary of that was the semiconductor industry.

The jump in orders "continues through today," he added. "It has not been a broad-based semiconductor expansion; nonetheless, it has been strong."

Translating it into numbers, worldwide demand for microchips rose by an estimated 7.8 percent last year, according to the Semiconductor Industry Association (SIA).

The industry has grown so large that Intel, which few people had heard of a couple of decades ago but which has a capitalization of close to \$24 billion today, is on the verge of taking over the mantle of market bellwether from the once-revered International Business Machines, which has fallen on hard times.

IBM, nevertheless, is the world's largest maker of semiconductor chips.

The analyst Stephen Leeb recommends Intel as one of "the blue chips... solid, well-managed companies that will continue growing well into the next century."

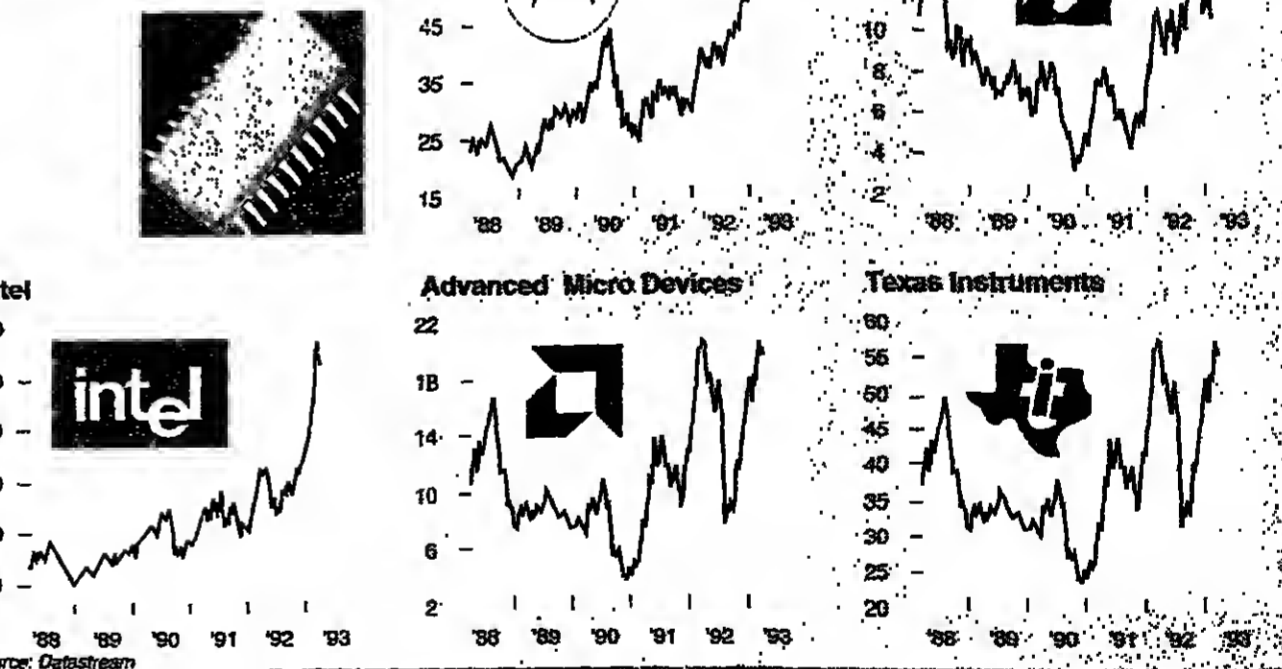
"Intel is the new technology hell-wether," agreed Richard Freeman, who manages \$500 million in aggressive-growth funds for Shearson Asset Management.

That does not seem likely — for now, at least. "The body language we continue to receive is that business is picking up," Mr. Freeman said.

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Cashing In On Chips

Stock prices in U.S. dollars.



Source: Outlook

eigners is growing. Texas Instruments and Hitachi of Japan announced an agreement last month to develop a 256-megabit dynamic random-access memory chip, or DRAM, together.

Similar cooperative arrangements were announced last year linking IBM with the German manufacturer Siemens and Toshiba of Japan; AMD with the Japanese concern Fujitsu; Toshiba and National Semiconductor; and Motorola with the Dutch electronics company Philips.

Roughly 50 percent to 60 percent of the U.S. chip industry's sales are overseas. Despite such broad horizons, the dependence on PC sales to drive growth in the chip business has analysts worried.

"I would like to see strong demand for semiconductors broaden beyond the PC industry, with more strength in the consumer and industrial sectors, and instrumentation," said Mr. Milton.

Mr. Milton, however, urges investors to steer clear of Intel. They have the narrowest product mix and narrowest customer mix," he said, recalling that after the PC boom of 1983 and '84 came the bust of '86 and '87, when "Intel's earnings collapsed."

much dependent on the PC industry," Mr. Milton said. "There have been numerous quarterly earnings disappointments from Intel. Each time, Intel's stock price has reacted violently. For long-term investors, the shares still offer good value; for trading-oriented investors, I would avoid avoiding the shares right now."

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Figure 11 shows a number of funds that have their performance regularly monitored by investors.

Several of the funds featured in the chart on this page.

Several of the funds featured in the chart on this page.

by showing good performance or by being part of a group

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The IHT would like to remind its readers that past performance is no guarantee of future results.

B.A.I.

The International Fund, a USD 230 million Luxembourg listed fund, has achieved an annualized return of 11.37% over the past five years. This has been accomplished by consistently accruing steady gains, month after month. This 11.37% annualized return of Intermarket Fund over the past five years was more than 4% over annual dollar deposit rates in this period. Such performance was accomplished by consistently accruing steady gains, month after month. Intermarket Fund has thus produced a higher return than all Micropal offshore global funds. At the same time, the risk was much lower.

B.A.I.
A Member of the B.N.P. Group
For information: Gustaf Bradshaw at B.A.I. Asset Management
Telephone: (44 71) 378 7070 Fax: (44 71) 378 6895

GLOBAL ASSET MANAGEMENT

GAM

GAM ASEAN has delivered a very successful managed exposure to one of the world's highest growth regions and has achieved compound annual growth of 20.5% since its inception in May, 1987. The fund, denominated in US dollars, has and will occasionally diverge significantly from index weightings in order to exploit choice of markets. It also engages in market timing and has and will possibly keep significant liquidity during periods when markets are unattractive. Total fund assets are \$154 million.

For further information please contact:
Julian Crellin, GAM Administration Ltd
GAM House, 11 Abbot Street, Douglas, Isle of Man
Fax: (44) 624 625356. Tel: (44) 624 626037.

PROVIDENCE CAPITAL

THE SPECIAL MARKET FUND

Very few managed funds are willing to move aggressively between assets, markets and sectors in pursuit of investment opportunity. This may explain why very few managed funds can boast the five-year compound growth of 22.5% per annum of the Special Market Fund of Providence Capital International (shown on the above graph).

Providence Capital International is a unit-linked life insurance company specializing in the provision of investment products tailored exclusively for the International investor; these products offer access to the Special Market Fund. If you would like any further information on the Special Market Fund, Providence Capital International or its extensive range of International investment funds and products, contact Nick Brown at our Guernsey Head Office: (44 461) 726 726.

THORNTON MANAGEMENT LTD

The award-winning Thornton Little Dragons Fund has delivered one of the most consistently successful performance records of any regional fund investing in Asia over the last five years. Its upper quartile performance over this period represents one of the most effective ways to capture the growth of one of the world's fastest growing regions.

The fund uses an active investment strategy to invest in the stock markets of Hong Kong, Malaysia, Singapore, Thailand and Korea as well as the emerging markets of Indonesia, the Philippines, India and Pakistan. It aims to provide investors with capital appreciation by investing in the shares of those industries that are leading the region into the 21st century.

CREDIT LYONNAIS

International Asset Management (HK) Limited

Asian stock markets have generated some of the most impressive returns over the past few years. Credit Lyonnais International Asset Management specializes in the management of equity funds investing in the Asian region. Our outstanding performance has led to a number of awards over the past three years, particularly from Micropal. To find out more, either complete the accompanying coupon, call Graham Brown, Joseph Silva or Hong Kong (852) 8467555 or fax us on (852) 8684783/8684742.

GUINNESS FLIGHT

Guinness Flight is acknowledged as one of the leaders in the management of bond and currency portfolios and currently manages a range of 15 bond funds and unit trusts, together worth over US\$360 million, on behalf of around 6,000 investors. Bonds are a lower risk investment alternative to equities and can provide a higher level of income than cash, and one that can be maintained, which is particularly valuable when short-term interest rates are falling.

Guinness Flight adopts a distinctive approach to the management of globally invested bond funds by managing the currency exposure of the funds separately. This enables the manager to protect and even enhance the value of each portfolio by taking advantage of currency movements.

For further information contact: Investor Services in Guernsey (44) 461 712176 or London (44) 71 5222111.

ROTHSCHILD ASSET MANAGEMENT

The Old Court Major U.K. Companies Fund aims to be a blue-chip portfolio. It includes 85 to 90 percent FT-SE stock but it isn't designed to replicate the index, says Michael Giddings, the manager of this £20.7 million fund. "We pick and choose stocks and sectors to achieve above average performance; as a house we assess the economy, then find the sector and then find the individual stocks."

Giddings feels his fund's performance reflects its consistent philosophy over the long term. As the investment approach is disciplined and consistent, it is found that the sum of the performance is a series of relatively small changes. Individual big bets are not taken. The cumulative value of the Rothschild approach shows in the long-term performance.

The fund's portfolio is very concentrated. With only 40 stocks and a very low turnover, the fund's objective is to outperform the FT-SE of All-Share, whichever is the stronger. If this objective is met, it is expected to achieve top quartile performance in the fund's universe.

Warburg Asset Management

Warburg Asset Management, investment advisor to the highly successful Mercury Selected Trust funds, is the international division of Mercury Asset Management plc (MAM plc). MAM plc and its predecessor companies have been managing investments since 1946. Funds under management total around US\$70 billion.

Mercury Selected Trust (SICAV) is MAM plc's principal offshore fund. It has 18 different funds with a total NAV of US\$445 million. Shares in these funds are owned by both private investors and institutions. Domiciled in Luxembourg, Mercury Selected Trust qualifies as a UCITS. The North American Opportunities Fund is a sub-fund of Mercury Selected Trust. It invests in special situations - including companies likely to be the subject of takeover attention - and takes positions in smaller and emerging growth companies with new products and concepts. As a result, it is likely to have a somewhat higher risk and reward profile and a more concentrated portfolio than conventional North American equity funds.

Issued by S.G. Warburg Asset Management Luxembourg S.A. (the administrator of Mercury Selected Trust), a subsidiary of MAM plc. Enquiries to: Fax (352) 4212150. Tel: (352) 4212101.

EBC

EBC's International Income Fund

In mid-March the International Income Fund (IIF) will offer a new Deutschemark-denominated tranche in addition to the existing, highly successful U.S. Dollar Fund. Investing in high quality fixed income investments on a multicurrency basis, the new fund will be seeking to achieve the maximum return in Deutschemark terms. As such it will provide an ideal vehicle to take advantage of falling international interest rates.

The IIF is managed by the EBC Group. This well-established Swiss-based investment company offers a full range of high quality asset management, trust and corporate services via offices in Zurich, Jersey and London.

For more information on the IIF, including the new Deutschemark tranche or any of the other services provided by EBC, please contact:
Mrs. S. Flood, EBC Trust Company (Jersey) Limited
PO Box 556, St. Helier, Jersey, Channel Islands
or telephone: 44 534 36331.

MORGAN GRENFELL

Investment Funds

Morgan Grenfell's Japanese investment team's expertise is undisputed - proven by our latest Micropal award for the number one fund in the Japanese offshore sector over five years.

Our investment approach, which includes over 300 company visits per year, has enabled our Tokyo-based investment team to achieve an increase of over 23% in five years*. This same team manages our Morgan Grenfell Japan Fund, which was specially launched for retail clients with a minimum investment of £1,000.

For further details call (04) 71 826 0123 today. Issued by Morgan Grenfell Investment Funds Limited, 20 Finsbury Circus, London EC2M 1UT. Member of IMRO.

*Source: Micropal offer to bid, net income reinvested 1/2/88 - 8/2/93.

SEAHAWK INTERNATIONAL INC.

Seahawk International, Inc. is an offshore clone of Hawkeye Partners, L.P., a highly successful United States limited partnership whose General Partner is T. Garic Moran. Hawkeye was formed July 1, 1991 and has enjoyed outstanding performance, returning +70% in 1991 and +83% in 1992. Seahawk, formed on February 1, 1992, returned +46% to investors after fees. Minimum investment amount is \$500,000.

The primary objective of Seahawk is to achieve substantial capital appreciation through an approach of buying and selling U.S. common equities (and their derivatives). The Fund uses trading techniques that include leverage, short sales, options and marketing timing, and trades aggressively. Mr. Moran manages total assets in both funds of over \$70 million.

Seahawk's monthly results are reported to Micropal London, the major international fund database. Out of 158 funds in the North American equities category, Seahawk ranked number one for its performance for the period July 1 through December 31, 1992.

Further information from: Pierson, Holding & Pierson (Cayman) Ltd. Telephone: (809) 949 7942. Fax: (809) 949 8340.

ARRAL ASSOCIATES LIMITED - ARRAL ASIAN FUND

Formed in 1986 by Michael Sofaer, Arral Associates currently manage US\$ 130M principally in two hedge funds, the Arral International Hedge Fund (\$50M) and the Arral Asian Fund (US\$ 80M). The hedging of the Arral Asian Fund, by shorting stocks and derivatives in the Asian stock markets (ex-Japan), has proven to be effective in achieving superior long-term performance as well as very low volatility. Since inception in March 1989, the Fund has been only 70% net long on average and, despite substantial volatility during the period, has experienced few down quarters. The Fund has done particularly well in difficult market conditions when hedging strategies have effectively preserved capital. Moreover, the Fund's style of focusing on liquidity driven economies and markets throughout the region has produced unbalanced portfolios which have avoided the worst of the regional markets over the period.

SPORTS BASEBALL

A Fighter on Home Ground Ivanisevic, His Fans, His Family, and the War

By Ian Thomsen
International Herald Tribune

SPLIT, Croatia — They tore off everything? "Everything but underpants," Goran Ivanisevic says.

His socks and shoes? "No socks. It was summertime. They left underpants and shoes."

This happened in August, after he had won Croatia's first Olympic medals, a pair of tennis bronzes. He was supposed to have flown directly to Monte Carlo, to prepare for the U.S. Open. He tells the story in his guttural monotone, his eyes gathering in the corners. He decided to fly home to Split, he says, to stay for just one night.

"One guy, he said: 'Nice shirt.' I said, 'Here.'"

Off came Ivanisevic's T-shirt, he says.

"Another guy said, 'That belt is pretty good.' Like a snake, his belt slithered into the swelling mob. They swept him up and tossed him high, over and over — the hands of his country, embracing him, tugging at him, shredding his jeans."

"I said: 'Here, take everything. Just leave me underpants,'" he says.

He was raised to be celebrated at airports. His parents went into hock so that it might happen. But this? So soon? They couldn't have guessed how six centuries of family history would galvanize him. For sure, they couldn't predict the war.

In his country, Ivanisevic is greater than he ever could have imagined, and he hasn't even wowed anything major yet.

"It was 3 o'clock in the morning," he says. "When I came to the airport, there was like 500 people. I never had that before. It was a nice feeling." He is smiling, uncharacteristically. "Really great."

A millionaire at 21, a finalist last summer at Wimbledon, the No. 3 player in the world, Ivanisevic keeps an expensive home in Monte Carlo, with a Mercedes coupe parked in the garage. He could have stayed there while recuperating from the stress fracture in his right foot that forced his withdrawal last month

from the Australian Open. But he returned home, spending the last three weeks with his girlfriend, Daniela Mihalic, in his one-room apartment here, 50 kilometers (30 miles) from the war zone.

On Monday, Ivanisevic departed Split for Monaco, but only because his coach, Bob Brett, lives there. His foot healed, he has resumed training with the goal of playing on March 1 at Indian Wells, California.

Pointing across the sharp hill that protects Split from the coast, he says: "Sometimes you hear fighting over there. Sometimes also somebody in Split got bored and

Goran played basketball and soccer wonderfully. Five times he won the city's scholastic championship in cross-country, without training. But the club was nearby and his father, a good player, enrolled him in tennis school. Not until Goran was almost 12 was he able to beat his father in tennis.

"He has something inside which leads him to win," Srđjan Ivanisevic says. "At first I couldn't understand it because I didn't have this thing inside of me. So I began to study it. A person must have talent and he must work hard, but a champion must also have championship abilities, a spirit. No matter who was on the other side, he thought he should win."

Srđjan Ivanisevic was an engineering professor at the local university. His wife, Gorana, was a chemical engineer. (Their daughter they named Srđjana, their son Goran.) Goran's spirit demanded private coaching. As he grew, his parents began to sell off their belongings. Eventually, they had no choice. If Goran were to attend a full-time tennis school in Zagreb, the house would have to be sold. His parents moved into an apartment in a crowded high-rise.

It was a terrific gamble. What if their son had torn his knee? Or if he had fallen out of love with tennis? "He broke his arm on the court once," Srđjan says. "I didn't think so much about it. If I reasonably had thought about it, I never would have done it."

At 16, Goran was signed to a contract by International Management Group. The agency loaned Srđjan \$170,000 for Goran's development, interest-free, but money that nonetheless would have to be repaid someday, somehow. It was at this time that Goran's older sister, white pregnant, was diagnosed with Hodgkin's Disease.

Today her cancer is in remission, her 4-year-old son healthy. Goran is a national treasure, among the best players in the world; and



Goran Ivanisevic training in the streets of Split, the Croatian city on the Adriatic where his father's family has lived for six centuries.

escaped aboard a refugee ship and joined Srđjan in Monaco.

His family has since returned to Split. Many of Ivanisevic's friends have entered the war. "They tell me a lot of bad things, things that are hard to tell — really disgusting things," he says. "The guys I know fighting, they're all alive. But it's like a lottery, you know."

"Probably I would go to fight," he says. "You never know what you would do. They call you to fight, you know."

His struggle to win far-away tennis matches might have felt tedious compared with the war at home. Then he discovered that, when he won, he was asked questions about the war. In answering them, he felt better — attacking the Serbs, defending Croatia. He was doing something. "My racket is my gun," he said, over and over.

His racket rick 957 was last year, including 206 at Wimbledon. He was heard all over the world.

"In the beginning it was tough for me to play," Ivanisevic says. "I come to the court and I'm thinking a lot about the problems at home. I change a lot because of this, and because of Bob [Brett, his coach]. It makes me tougher. I try to fight to the last point. I see people fighting here. I want to fight like they're fighting."

In Paris, his warmup suit read, "Stop Aggression Against Croatia." Before his country was recognized as January 1992 by the European Community, he convinced the ATP Tour to list him not as a Yugoslav, but as a Croat. He returned home each time to find more fans, more kids playing tennis.

In January 1992, the tournament at Adelaide, Australia, received death threats against Ivanisevic. Policemen escorted him into the stadium and had a car waiting for him at a special exit. To that point he had won only two titles. He might have walked into the back-ground. Instead, he won the tournament.

"I wasn't worried," he says. "The two policemen, I go to the practicing range with them. They show me how to shoot, just for fun. They let me shoot machine gun. It was tough to control, but oh, nice feeling. All the bullets coming off. I was thinking it nice to have some Serbs standing in front of me."

But for the UN troops in their camouflage uniforms, there is little sign of danger in Split. Yet the dam at Perućica, some 60 kilometers to the north, has been threatening to flood its southern valley for several weeks. FIBA, the world basketball federation, has transferred European games out of the city. Ivanisevic comes home along the same circuitous routes, on the same crowded airplanes braved by everyone else.

At times he pleads for intervention from the United States: "Somebody got to do something, or a lot of people going to die." Then he turns around: "Maybe it best if we fight face to face with Serbs. We don't want to give them one square meter of our land."

Baseball Awaits A Budding Super Team

By Mark Maske
Washington Post Service

As baseball emerges from a turbulent offseason, a few things seem clear about 1993:

There is one potential super team, the Atlanta Braves, the defending World Series champions, the Toronto Blue Jays, are capable of repeating, there are a couple of wide-open divisional outlooks in the NL East and AL West, and there are a pair of expansion franchises — the Florida Marlins and Colorado Rockies.

Fishers and catchers are reporting to training camps in Florida and Arizona. For the next week, the rest of the players will filter in. And spring training, until recently in danger of being wiped out by another confrontation between owners and players, at last will be under way. For the first time in months, the focus will shift from the Major League Soccer controversy and the brewing labor war and the workings of the Executive Council in the wake of Fay Vincent's forced resignation to commissioner's last fall.

Now the focus shifts to Fort Charlotte, Florida, and the beginning of Nolan Ryan's 27th — and final — go-around in the big leagues, for the Texas Rangers to Scottsdale, Arizona, where \$43.75 million man Barry Bonds won't be wearing Willie Mays's number but needs to be a Mays play-alike to justify his per-game income of just over \$45,000; and to Cocoa, Florida, and Tucson, where the Marlins and Rockies will prepare for their Opening Day unveilings.

But the center of attention for baseball this spring likely will be West Palm Beach, Florida. There, the Braves will display what's being hailed as one of the best starting pitching corps in history.

A rotation of Tom Glavine, John Smoltz, Steve Avery, Charlie Leibrandt and Pete Smith would have been enough to make the Braves the favorites to pull off an NL West threepeat — and probably to finally capture a World Series crown following back-to-back failures.

But then Atlanta signed NL Cy Young Award winner Greg Maddux as a free agent in December, and suddenly the outcome of this season began to look like a forgone conclusion.

The Blue Jays have some regrouping to do as they gather in Dadeville, Florida. Gone from their championship team are pitchers David Cone, Dave Stieb, Tom Henke and Jimmy Key, outfielder Candy Maldonado, third baseman Kelly Gruber, shortstop Manuel Lee and World Series hero Dave Winfield.

Salt, Toronto did its best to come possible, bringing in veteran Pat Mulvihill to offset the loss of Winfield, and Dave Stewart to take Cone's place in the rotation.

Springtime arrives with jumble — and no clear favorites — in the AL West and NL East. The two defending champions, the Oakland Athletics and Pittsburgh Pirates have been basically disassembled

SCOREBOARD

NBA Standings

EASTERN CONFERENCE

Atlantic Division

W	L	Pct	GB
New York	34	16	.680
New Jersey	26	24	.520
Boston	26	24	.520
Orlando	24	26	.479
Miami	18	32	.364
Philadelphia	12	38	.240
Washington	15	36	.294

Central Division

W	L	Pct	GB
Chicago	35	17	.673
Cleveland	34	18	.659
Charlotte	26	26	.500
Atlanta	24	28	.461
Indiana	23	29	.442
Detroit	21	31	.404
Milwaukee	20	32	.382

WESTERN CONFERENCE

Pacific Division

W	L	Pct	GB
San Antonio	34	18	.659
Utah	33	19	.637
Houston	30	22	.577
Denver	28	24	.538
Minnesota	12	38	.240
Los Angeles	4	45	.089

Midwest Division

W	L	Pct	GB
San Antonio	34	18	.659
Utah	33	19	.637
Houston	30	22	.577
Denver	28	24	.538
Minnesota	12	38	.240
Los Angeles	4	45	.089

BASEBALL

THURSDAY'S RESULTS

Boston 21, Houston 15
Houston 28 (10th inning), Atlanta 8-13
Cleveland 10, Philadelphia 5
Detroit 10, Milwaukee 5
Los Angeles 10, San Diego 5
New York 10, St. Louis 5
Pittsburgh 10, Cincinnati 5
San Francisco 10, Oakland 5
Seattle 10, Texas 5
Toronto 10, Baltimore 5
Washington 10, Montreal 5

MAJOR COLLEGE SCORES

Ark.-Little Rock 67, Louisiana Tech 46
E. Carolina 64, Virginia Tech 49
Fla. International 75, SE Louisiana 47
Mississippi Col. 76, Alcorn 54
Sewanee 95, Centennial 82
Yale 75, N.C. Charlotte 70
Virginia 58, Duke 52

BASEBALL

Atlanta 25, St. Louis 24
Boston 23, Houston 17
Cleveland 17, Philadelphia 13
Detroit 10, Milwaukee 5
Los Angeles 10, San Diego 5
New York 10, St. Louis 5
Pittsburgh 10, Cincinnati 5
San Francisco 10, Oakland 5
Seattle 10, Texas 5
Toronto 10, Baltimore 5
Washington 10, Montreal 5

SOFTBALL

THURSDAY'S RESULTS

Atlanta 25, St. Louis 24
Boston 23, Houston 17
Cleveland 17, Philadelphia 13
Detroit 10, Milwaukee 5
Los Angeles 10, San Diego 5
New York 10, St. Louis 5
Pittsburgh 10, Cincinnati 5
San Francisco 10, Oakland 5
Seattle 10, Texas 5
Toronto 10, Baltimore 5
Washington 10, Montreal 5

WRESTLING

THURSDAY'S RESULTS

Atlanta 25, St. Louis 24
Boston 23, Houston 17
Cleveland 17, Philadelphia 13
Detroit 10, Milwaukee 5
Los Angeles 10, San Diego 5
New York 10, St. Louis 5
Pittsburgh 10, Cincinnati 5
San Francisco 10, Oakland 5
Seattle 10, Texas 5
Toronto 10, Baltimore 5
Washington 10, Montreal 5

WRESTLING

THURSDAY'S RESULTS

Atlanta 25, St. Louis 24
Boston 23, Houston 17
Cleveland 17, Philadelphia 13
Detroit 10, Milwaukee 5
Los Angeles 10, San Diego 5
New York 10, St. Louis 5
Pittsburgh 10, Cincinnati 5
San Francisco 10, Oakland 5
Seattle 10, Texas 5
Toronto 10, Baltimore 5
Washington 10, Montreal 5

WRESTLING

THURSDAY'S RESULTS

Atlanta 25, St. Louis 24
Boston 23, Houston 17
Cleveland 17, Philadelphia 13
Detroit 10, Milwaukee 5
Los Angeles 10, San Diego 5
New York 10, St. Louis 5
Pittsburgh 10, Cincinnati 5
San Francisco 10, Oakland 5
Seattle 10, Texas 5
Toronto 10, Baltimore 5
Washington 10, Montreal 5

SKIING

U.S. ALPINE CHAMPIONSHIPS

Results Thursday from Winter Park, Colo.

WOMEN'S DOWNHILL

1. Lindsey Robertson, Canada, 1:16:06.15
2. Erika Brown, U.S., 1:16:16.3
3. P. J. Smith, U.S., 1:16:21.4
4. Megan Egan, U.S., 1:16:21.4
5. Kristin Schreiner, U.S., 1:16:21.4

WOMEN'S DOWNHILL

1. Cory Mullen, Canada, 1:11:23.2
2. Tereza Novakova, U.S., 1:11:23.2
3. Heidi Muehlebach, U.S., 1:11:23.2
4. Heidi Muehlebach, U.S., 1:11:23.2
5. Heidi Muehlebach, U.S., 1:11:23.2

DENNIS THE MENACE

HERE'S THE LONELY SHEPHERD STANDING OUT UNDER THE STARS.

ALL HIS SHEEP HAVE GONE ASTRAY... IT'S SO SAD.

YOU'RE NOT CRYING.

I'M NOT GOING TO DO THIS HOMEWORK! MOM, LET'S GO OUTSIDE!

BLONDIE

LET'S SEE A NUMBER THREE ZINC-PLATED THREADED RIPPER SWITCH.

THERE YOU ARE.

THAT'S AMAZING! IN THE WHOLE STORE YOU KNOW EXACTLY WHERE EVERYTHING IS.

WELL, I'VE WORKED HERE FOR OVER TWELVE YEARS.

I'VE LIVED IN MY HOUSE LONGER THAN YOU KNOW WHERE WE KEEP THE TAPE.

WIZARD OF ID

SADLY, THERE ARE CERTAIN THINGS A MORTALIAN JUST CAN'T DO.

REALLY?

...LIKE WHAT?

VISIT THE SICK.

REX MORGAN

THAT'S ENOUGH FOR TONIGHT, PETER! TOMORROW WE'LL PRACTICE THE REAL THING!

YOU MEAN GIVING SHOTS FOR REAL?

THAT'S WHAT I MEAN, YOUNG MAN!

GULP... I CAN HARDLY WAIT!

GARFIELD

BOO!

Spot!

WHOA, THAT CAN'T BE GOOD FOR THE TASTE OF THE GOOD.

JUNBLE

THAT SCRAMBLED WORD GAME

Unscramble these words, to form four ordinary words.

MOTEC

OTHIS

GLATH

ENVOG

Print answer HERE: IN THE

Answers: MOTEC = MICE; OTHIS = THIS; GLATH = THAT; ENVOG = GOVERN

BEEBLE BAILEY

ZERO! THAT'S THE THIRD ORANGE CONE YOU'VE KNOCKED OVER.

WELL, GOLLY! WHO LEFT THEM IN THE MIDDLE OF THE ROAD?

DOONESBURY

ZANKERT! HE'S HENRY!

HEY, HENRY, WHAT'S LIFE LIKE?

I COULDN'T HELP LISTENING IN ON YOUR CONVERSATION WITH DUNE THE OTHER DAY. I THINK IT'S GREAT! YOU WANT TO HELP PEOPLE WHO ARE SUFFERING.

ANYWAY, LAST NIGHT I TOOK SOME OF DUNE'S STASH AND SENT IT OFF TO YOU. I HOPED IT HELPS.

HENRY, THAT'S GREAT! HOW MUCH DID YOU SEND?

I DUNNO, A TON MADE ME HEAVY!

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سكيا من الاجل

DAVE BARRY

A Few Corrections

MIAMI — As the more than 34 billion regular readers of this column are well aware, I pride myself on my accuracy. I do not report idle speculation or gossip. Let's say I happen to hear a rumor that Vice President Gore likes to relax by putting live spotted owls through a Salad Shooter. I am not going to just haul off and write a statement like that in the newspaper. I am going to follow the procedure used by top journalism professionals, which is to write: "Vice President Gore REPORTEDLY likes to put live spotted owls through a Salad Shooter." That way you, the reader, will have "just the facts" and can draw your own conclusion about this issue. The point is that I have high journalism standards, and that is why today I am so upset that I am tempted to commit suicide by drinking vending machine coffee. Because it turns out that some of my recent columns contained FACTUAL ERRORS. Yes, these errors were spotted by vigilant readers who took time out to write, and so today I want to "set the record straight" on certain matters. 1. MONTANA IS NOT NORTH OF CANADA. Actually, I never said that Montana is DEFINITELY north of Canada. What I said, in a column about a trip to Montana, is that it is "possibly" north of Canada. This resulted in a stern letter from reader Lena Anderson, who states: "You must be one of the uneducated young that never cracked a geography." She sent me TWO maps of the United States, and I am embarrassed to say that they clearly show that Montana is not north of Canada at all. It is north of ICELAND. Sorry! 2. MILITARY FOOD TASTES GOOD. You may recall the column I wrote after my wife and son and dogs and I conducted a taste test involving the Meal Ready to Eat (MRE), a U.S. Army tactical food concept. Our conclusion was that the MRE was the ideal food for certain military situations, mostly involving captured enemy spies ("Perhaps you would like some of this BEEF STEW?" "NO! I'LL TALK!"). Apparently this column aroused the dander of Captain Bryan Dion, who is in charge of army recruiting

in southern Oregon. Captain Dion contacted his local newspaper, the Eugene, Oregon, Register Guard, which conducted a taste test of its own, with a six-person Taste Panel. The panelists consumed a variety of MREs; then, using a 10-point rating scale, they all died. No, seriously, the panel gave the MREs a rating of 8.1 on the taste scale. This is clearly a scientific result, because it contains a decimal point. So I am forced to conclude that I have been mistaken about MREs: They taste wonderful, and if the army happens to have a few extra tons of these culinary treats stacked up in warehouses, it should deliver them, perhaps via large air force bombers, to Oregon, which is just north of Montana. 3. THE LEAGUE OF WOMEN VOTERS DOES NOT ENDORSE BULL SCROTUMS. My annual Holiday Gift Guide for 1992 included, among other gift suggestions, a genuine bull scrotum, which looks sort of like a hairy handbag and is sold by Goode Company Barbeque in Houston, Texas (a nation located near Tulsa, Oklahoma). The Gift Guide included the following statement: "Don't be fooled by cheap imitations. This is the only bull scrotum endorsed by the League of Women Voters and the Reverend Pat Robertson." This is inaccurate. I have a letter from reader Howard J. Smith, who writes: "Both my wife and I are proud members of the LWV and resent your using its name. Bluntly, I find your remarks to be denigrating, uncalled for and insulting. Further, by tacitly associating the LWV with Pat Robertson, you have added guilt-by-association to your offenses." So, for the record: The League of Women voters does NOT endorse bull scrotums or engage in any other activity that would detract from its mission, which is the worldwide distribution of Amway products. In conclusion, let me express my gratitude to the readers who pointed these errors out, and I invite any other reader who finds an error in my columns to please contact me: David Broder, c/o The New York Times, 12345 12345th St., Washington, D.C. 12345. Thank you, and your fly is down. Knight-Ridder Newspapers

A Mixed Salad With the First Folk Singer

By Jon Pareles

NEW YORK — Judy Collins advanced on her visitor, long, gleaming knife in hand. She was wearing a tawny velvet dress and, over it, an apron. "Do you like garlic?" she asked. "Wonderful!" She began to chop with a double-time wrist action that bespoke long experience at the cutting board. "Garlic is a very good thing to have under all conditions," she said, moving on to onions. "I always imagined that garlic doesn't smell on me. I like to keep to that illusion." Collins, the unofficial First Folk Singer, was whipping up a little lunch in the narrow kitchen of her apartment in Manhattan, a comfortable home with river views and paintings that fill nearly every bit of wall space. Collins had grilled a chicken and baked potatoes. She was tossing a salad of multicolored greens with a basil-oil dressing; the potatoes would get a warm topping of onions and shiitake mushrooms. Garlic was in the salad dressing, was rubbed on the salad bowl and was mixed with the onions. "I've discovered," she said as the shiitakes sizzled, "that all you need to make life really pleasant, at some moments anyway, is some onions, some mushrooms, some oil, a little garlic and a short memory." But for the moment, Collins, 53, was enjoying the benefits of long memories. In the 1992 presidential primary campaign, Bill Clinton let it be known that Collins ranked high among his favorite singers; he told People magazine that the album he would come if his house were burning down would be Collins' "Colors of the Day," a compilation released in 1972. And he let it be known that Chelsea Clinton was named for "Chelsea Morning," a Joni Mitchell song that Collins recorded in 1969. It's not that I ever went away," Collins said, pouring Perrier and sitting down to eat. She reminded her guest that she had toured and recorded throughout the 1970s and 1980s; that her autobiography, "Trust Your Heart," was published by Houghton Mifflin in 1987, concurrent with an album of the same name. "But this is a kind of global memory starter. People all know you and love you, and then suddenly they know you and love you right now. They look at you on the street in a very different way. Everybody kind of catches up, and goes: 'Oh, right! You're still here,' and not only that, you're working harder than ever." Collins has had numerous ups and downs since the 1960s, including battles with alcoholism, allergies, hepatitis and bulimia that are discussed in her autobiography. Her son, Clark Taylor, the offspring of an early marriage, committed suicide last year in his early 30s, a topic she wo't discuss. But she has survived the vagaries of a recording business that made her a star in the 1960s and 1970s, nearly ignored her in the 1980s and may be coming around to hear her anew. Her last album, "Fires of Eden," was released in 1990 by Columbia Records. It was a largely forgettable soft-rock collection, though it did include Collins' own "Blizzard," an impressionistic song with rich Debussy-like harmonies. After the album sold poorly, Columbia dropped her. She has now signed with Geffen Records, where her first project will be an album of Bob Dylan songs. She also tours constantly. While her pristine soprano seems to hark back to some rural Eden, Collins is no folk purist. In the early 1960s, she made her name performing traditional folk songs. But with her classical piano training and the example of her



Singer Judy Collins: Politics, books, garlic and song.

father, Chuck Collins, a pop singer, books didn't stick to the folk repertoire. "I was thinking Debussy and Chopin when everybody was thinking Pete Seeger," she said. "And I was raised on people like Rodgers and Hart, which my father sang to make a living. He was a great singer, and he always chose wonderful songs." Collins, too, developed a reputation for picking songs well. As early as 1964, she began expanding her repertoire to what she calls "written songs" by the likes of Bob Dylan. By the late 1960s Collins was using orchestras as well as her lone guitar and was gathering songs from new writers like Randy Newman and Leonard Cohen, from the theater, from European cabaret and from any place else that sounded promising. Her 1967 hit, "Both Sides Now," was by Joni Mitchell, then unknown. Collins was also beginning to write songs herself, beginning with the tender vows of "Since You Asked." "I wrote it because Leonard challenged me," Collins said, her besonneted blue eyes flashing at the recollection. "He had given me 'Suzanne' and 'Dress Rehearsal Rag,' and he said there was no reason I shouldn't be writing my own songs. I had never even tried. "I went to see my friend Bruce Langhorne, a guitarist. This was 1967. I gave him my notebooks, and I said, 'Now

I'm going to go out on the porch and I want you to look at these notebooks and tell me if there's anything even worth thinking about in here.' My heart was in my mouth as I turned my soul over to this man. I came back in, and he said: 'No, I don't think I see anything here. But why don't you try going back home and writing a series of songs about a relationship? Write five songs about the beginning, the middle and the end.' I did, and 'Since You Asked' was the first." Collins had two unlikely hits in the 1970s: a 1970 version of "Amazing Grace" that sold a million copies and, in 1975, one of the first pop renditions of Stephen Sondheim's "Send in the Clowns." She has been accompanied by humbuck whistles and rock bands, by huge choruses and her own solo piano. "I wasn't meant to just sing many versions of 'Both Sides Now,'" she said. "It has always been, how do I get to what's really me? It's been a struggle with record companies, it's been a struggle with myself, it's been a struggle with getting permission somehow to do it." Although Collins doesn't sing protest songs, she has followed the route of many performers who came of age in the 1960s by playing innumerable benefits for candidates and causes. She met the president-to-be in 1991, when she was performing at a conference on women's issues in Chautauque, New York. He and his wife came backstage after the concert. "You can always tell the difference between people who are there just for business and those people who really love the music," Collins said. They met again in June 1992, when by coincidence both Collins and the Clintons were staying at the Miramar hotel in Santa Monica, California. Clinton invited her for conversation, and she brought along her sister, her 10-year-old niece and her 8-month-old nephew. "It was about a half-hour of just laughing and talking and crying," she said. "I didn't really have to talk policy with him because he's for all the things I'm for: all the women's issues, all the health issues." Collins performed for Clinton campaign fund-raisers, working especially on getting out the women's vote. And in January she sang for her candidate's pre-inauguration concert. "I don't think I was ever on the Mall before except to protest something that was going on in the government," Collins said. "Although one always feels wonderful about being part of a unified protest, there's something very satisfying about being there when your candidate won. And I'm a person who used to want to throw things at the television set when certain presidents spoke." With the president as her press agent, Collins is not letting her momentum slacken. "This year there are going to be a few things that I want to get into place," she said briskly, her voice lifting toward a businesslike pitch. There's a "Best of Judy Collins" concert video to be sold via television that includes, she said, "a new version of 'Chelsea Morning' and new live versions of the classics," the end of May. There's a song book that will bring together Collins' own songs, and perhaps an album of her performances of them. She's also thinking of making an album of cowboy songs and one of Sondheim songs. And then there's her novel. "It's about sex, drugs and rock 'n' roll," she said. "People are going to think I'm a wilder girl than I am. Having written an autobiography for a long time, it was a great treat to be sprung from the facts and be able to write fiction."

Clintons Don't Make Best-Dressed List — Yet Pamela Harriman, the former Democratic Party hostess, is on the 1993 Best Dressed list, but Hillary Rodham Clinton didn't make it. The fashion publicist Eleanor Lambert, who started the poll in 1941, said the first lady wasn't nominated to be voted on by 400 fashion press and professionals because it "too soon." But she might make it next year. She has a new sense of herself, a new consciousness of her appearance. President Bill Clinton also was not on the list, but John F. Kennedy Jr., assistant district attorney in New York, was. Among those on the women's list were the opera singer Jessye Norman, the New York socialite Amanda Burden and Mary Robinson, the president of Ireland. Ross Perot has something to say about a new "Sesame Street" character, H. Ross Parrot. "Number one, the nose is too small," said the former presidential candidate on ABC's "Good Morning America." "Number two, it's not a real Texas accent — we've got to help him there. Number three, my family loves it, my grandchildren love it. Number four, the Birds of the World organization is up in arms about it." The search for a design for Germany's parliament in Berlin has been narrowed to three architects: Sir Norman Foster of Britain, Pritzker Prize winner, and the Spanish-born Santiago Calatrava. The Berlin architect Axel Schott, won the competition for the overall design of government buildings to flank the Reichstag. The rapper Mackie Mack apologized for racial violence dating back to his early teens. The 21-year-old rapper, whose full name is Mackie Mackie Mackie, was in Hawaii, but he issued an apology for the racial incidents and headed off a New York rally against his alleged rights activists. "I am truly sorry," he said, a teenager and "instigator" when I did these things," he said. "But that's no excuse."

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WEATHER

Weather forecast section including tables for Europe, Asia, North America, and Latin America, along with a map of the United States showing weather patterns.

BLACK-HISTORY NOTABLES By Bert H. Kruse

Crossword puzzle section with clues for Black History Notables and a solution to the puzzle from Feb. 13-14.

BOOKS

ALADDIN'S PROBLEM By Ernst Junger. Translated from the German by Joachim Neugroschel. 136 pages, \$19. Eridanos Library/Marsilio. Reviewed by Thomas McConigle. At 97, Ernst Junger is one of Germany's and Europe's most distinguished writers. In a long and adventurous life Junger has been able to fulfill two-thirds of the famous prescription of Baudelaire: "There are but three things worthy of respect: the priest, the warrior and the poet. To know, to kill and to create." Even before the first World War, Junger had run away from his conventional middle-class family and served in the French Foreign Legion. During WWI itself he fought four years for Germany in the trenches and was wounded seven times. Two of his books about his wartime experiences have been translated as "The Storm of Steel" and "Cape 125." The first of these is a celebration of the exhilaration that Junger experienced during combat while leading a unit of shock troops. "It was," he writes, "a good and strenuous life and the war for all its destructiveness, was an incomparable schooling of the heart." After the war Junger studied biology and pursued entomological research and published a number of books foretelling the rise of an inhuman technological society and the death of both the individual and of personal heroism. Recalled to the army at the outbreak of World War II, he served notably in Paris, where he was a sort of unofficial liaison between the German Army and French intellectuals. After the war, the novelist refused to submit to any Allied denazification procedure on the grounds that he had never been a Nazi. In the years since then Junger has published a shelf of books: a series of visionary novels, an extensive diary that is a personal best-seller in France, entomological research papers, volumes of travel writings, and even a book of recounting his experiences under LSD. In the newly translated "Aladdin's Problem," first published in 1983, Friedrich Baroh, disguised scion of an aristocratic German family, delivers a monologue about the aftermath of World War II in Poland; Baroh is drafted into the Polish army, rises quickly and then defects to the West where he goes to university, marries and takes a position in his uncle's funeral parlor. After a visit to the cemetery at Verdun, Baroh conceives the idea of a vast mausoleum, to be built in Turkey, to provide a resting place for all the world's restless dead. And Aladdin's problem? Junger reminds us, "Aladdin's lamp was made of pewter or copper, perhaps merely clay." Through its power "he could put up palaces or wipe out cities overnight. . . . The lamp guaranteed dominion as far as the frontiers of the traveled world — from China to Mauritania. Aladdin preferred the life of a minor despot. Our lamp is made of uranium. It establishes the same problem: power streaming toward us titanically." Thomas McConigle, the author of "Going to Patchoque" and "The Corpse Dream of N. Petkov," wrote this for The Washington Post.

Speed up the approval process

Table listing international telephone numbers for various countries including Australia, France, Italy, Portugal, Bahrain, Germany, Kenya, Saudi Arabia, Czech Rep, Greece, Luxembourg, Sweden, Denmark, Hungary, Netherlands, Switzerland, Egypt, Norway, Turkey, and Iran, along with their respective area codes and numbers.

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